Response to Regional Connectivity Program Round 2, Release of Draft Program Guidelines

Date of submission: 28 October 2021

Introduction

IoT Alliance Australia (IoTAA) is the peak Australian IoT industry body with over 500 participating organisations and 1000 individual participants working across 12 workstreams. We address deployment and uses of Internet of Things (IoT) devices and services in Australia. Our mission is to accelerate the adoption of IoT in Australia to improve our competitive advantage and benefit society.

IoTAA welcomes this opportunity to respond to Regional Connectivity Program Round 2, Release of Draft Program Guidelines.

Delivering a modern and digital economy is vital to drive Australia's future prosperity. This is a fundamental precept of the Government's Digital economy strategy. This applies as much, or even more, to rural and regional areas where the digital economy enables us to overcome many of the distance challenges.

Underpinning the digital economy is the collection, processing and acting on data through the Internet of Things, which provides breakthrough opportunities for farming, healthcare, remote asset management for utilities, and the development of distance-independent business models for local and regional businesses.

All of this depends on widespread fit-for-purpose public and private connectivity options to transport and aggregate data that drives the digital economy.

Our review of the guidelines for the Regional Connectivity program finds them unaligned to developing the digital economy in a number of key aspects:

- The intended outcomes (clause 2.1) are unnecessarily restrictive in technology choices, which inhibits connectivity innovation and communications service options. In particular, it fails to recognise narrowband connectivity options as critical to IoT and data collection – which in many cases may be the least cost and most suitable deployment option. In doing so, it also does not consider the recent ABAC Agri-Tech Expert Working Group[1] recommendations regarding addressing the 'salt and pepper' nature of connectivity in rural and regional areas. For example, LPWANS/Satellite/IoT networks can help to address 'last mile' connectivity as well as address black spots in areas where populations are sparse, but assets are rich

- The welcomed place-based approach is not supported by mechanisms to encourage and develop place-based collaboration and gathering of multi-industry requirements. We recommend a portion of the grant allocation be assigned to that purpose – perhaps in preparation for a following round.

- The merit criteria do not include sufficient weighting towards grant proponents who are able to develop digital and IoT services and innovation to the community.

- The current guidelines make no reference to the ability to capitalise backhaul costs to be eligible for grant funding. Backhaul is a major cost component in the provision of connectivity in regional and remote areas. It is the IOTAA's view that capitalisation of backhaul is an essential requirement to enable regional connectivity and IOT solutions.

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[1] https://www.infrastructure.gov.au/department/media/publications/agri-tech-expert-working-group-june-2021

- The closing date and time references "8 weeks after opening". It is assumed this refers to the amount of time grant applicants have to complete their grant submissions. It is the IOTAA's view that eight weeks is insufficient time to finalise a grant submission of this magnitude. The process requires: identification of area(s) with localised issues, engaging with local communities, stakeholder groups, associations, state governments etc., as well as securing, where possible, co-funding and in-kind contribution agreements, as well as completing the substantial requirements of the grant application itself.

Recommendations

IoTAA recommends the following 6 changes be made to the grant guidelines to better invest in connectivity to drive the impact of the digital economy for rural and regional Australia:

1. Technology neutrality for grants to enable better fit for purpose, innovation, cost and speed of deployment. The proposed connectivity options are too restrictive as they appear to exclude narrowband wireless and satellite options.

2. Enabling and driving the regional digital economy should be a selection criterion
   a. **Including, for example**: connectivity to support shared data infrastructure such as local data cloud

3. Expand the 'place-based' approach to telecoms infrastructure planning, 'smart regions' or digitally enabled regions and communities that takes a cross-sectoral view of the interrelated infrastructure and the amenity needs of a location (which is one of the three focus areas recommended by the recent Infrastructure Australia Infrastructure Plan 2021 [2]). Such an approach should consider enabling local communities to realise their own connectivity infrastructure by removing regulatory barriers and promoting locally driven wireless connectivity and broadband backhaul initiatives.

4. Place-based holistic solutions (i.e., a solution that supports a range of use cases vis-à-vis a solution designed for a single use case) would benefit government facilitation of local collaboration between public and private sector entities to encourage broader application and sharing of connectivity resources. e.g. between local councils, utilities, businesses, communities, etc.

5. The ability for grant recipients to capitalise backhaul costs to better enable place-based connectivity solutions.

6. Extend the time grant applicants have to complete their submissions to a minimum of 12 weeks – and with the current COVID impacts on travel and the pending Christmas and New Year breaks, a time frame of 16 weeks should be considered a more appropriate timeframe for well researched and considered applications.

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[2] Page 21: https://www.infrastructureaustralia.gov.au/sites/default/files/2021-09/Exec%20Summary%20%28standalone%29.pdf