9 February 2023

Director, Regional Connectivity
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594, Canberra ACT 2601

To Whom it May Concern,

Re: Regional Connectivity Program Round 3 (including Mobile Black Spot) Grant Opportunity Draft Guidelines

On behalf of the Greater Whitsunday region, we are pleased to provide comment on the Regional Connectivity Program Round 3 (including Mobile Black Spot opportunities) Grant Opportunity Draft Guidelines.

Greater Whitsunday Alliance (GW3) is the peak independent, economic development organisation for the Mackay, Isaac, Whitsunday region, creating opportunities for the Greater Whitsunday region to realise its full potential. GW3 delivers a range of economic development focused projects to help support and promote prosperity across the region, in partnership with regional agencies, industry and the Mackay, Isaac and Whitsunday Regional Councils.

The Greater Whitsunday region is home to 180,894 people, a land area of 9.01 million hectares and a diversified regional economy with total annual outputs of just over $51 billion. Located in the strategic heart of Northern Australia, Greater Whitsunday is one of Australia's economic powerhouses, with substantial contribution to Queensland's employment, output and exports underpinned by the strength and depth of its knowledge-intensive mining, advanced manufacturing, agriculture, transport, tourism, and construction industries.

The Greater Whitsunday region requires active investment in telecommunication and connectivity services to meet current challenges and to strengthen regional well-being and prosperity into the future. As a geographically diverse region, connectivity service levels vary across Greater Whitsunday, from well-serviced urban centres to isolated nature-based tourism locations and rural agricultural townships, with little to no internet connectivity or mobile coverage. The importance of effective digital infrastructure and connectivity has been further highlighted by the impact of COVID-19 and is also seen as critical in the region's preparedness and recovery responses to natural disasters (typically cyclones and bush fires occurrences).

Funding commitments, like Regional Connectivity Program Round 3, ensure those areas in Greater Whitsunday that continue to experience low to no telecommunication service can seek investment in connectivity solutions.

GW3 led the establishment of the *Greater Whitsunday Regional Digital Connectivity Forum (RDCF)* in partnership with Mackay, Isaac and Whitsunday Regional Councils and Regional Development Australia – Greater Whitsundays. In late 2022, GW3 released the *Greater Whitsunday Digital Roadmap* which aims to set a pathway to improve digital connectivity, accelerate technology adoption and enhance digital workforce skills in the region. Key Roadmap strategies are linked to enhancing the region's digital foundations and delivering digital infrastructure investment industry requires.

This submission provides comment on elements of the Round 3 Draft Guidelines where we have identified potential conflict or issues for those wishing to make grant submissions from the Greater Whitsunday region. GW3 and partners are committed to advocating for greater regional connectivity and coverage in the Greater Whitsunday region. Should you have any questions at all, please don't hesitate to contact me.

Yours faithfully,
GREATER WHITSUNDAY ALLIANCE

Greater Whitsunday Alliance (GW3) Comment on Design

Regional Connectivity Program – Round 3 (including Mobile Black Spot opportunities) Grant Opportunity Draft Guidelines

Below are key elements from the Draft Guidelines that GW3 are pleased to provide comment for consideration and review.

2.1   Better Connectivity Plan for Regional and Rural Australia
- *Re: The Australian Government is committed to increasing connectivity, bridging the digital divide, improving mobile coverage and protecting communities against natural disaster. The Better Connectivity Plan for Regional and Rural Australia, announced in the October 2022 Budget will see more than $1.1 billion delivered to communities across regional and rural Australia.*

GW3 and partners commends the Department and Australian Government for the investment of over $1.1 billion in the Better Connectivity Plan for Regional and Rural Australia, including Round 3 of the Regional Connectivity Program, with the addition of Mobile Black Spot opportunities.

Engaging with regional and rural Australia to determine connectivity solutions is critical in closing the digital divide and raising the service standards experienced outside major cities. Fully embracing and activating the opportunities that digital and technology advancements offers is often hampered in regional areas by a lack of digital or mobile connectivity.

In addition, much of regional and rural Australia experience devastating natural disasters – cyclones, flood, bushfire – in a more frequent and intense pattern. Reliable telecommunications and connectivity before, during and after these events is critical to community safety, response and resilience.

GW3 and our regional partners are in strong agreement with the Department's guideline to see greater collaboration across federal, state and local government to align strategic funding priorities and program delivery. This is reflected as a core action contained in the *Greater Whitsunday Digital Roadmap.*

2.2   About Round 3 – Mobile Black Spot Solutions
Re: The Better Connectivity Plan will deliver the funding for expanded regional mobile coverage through additional rounds of the Mobile Black Spot Program. This includes the $50 million for Mobile Black Spot Solutions available through this Regional Connectivity Program Round.

GW3 and partners commends the inclusion of $50million funding for Mobile Black Spot Solutions to continue to expand mobile coverage and competition across regional and rural Australia.

The inclusion of back-up power supply is also commended given the instances and intensity of natural disasters in regional and rural Australia, including within the Greater Whitsunday region. Reliable power supply to telecommunications assets was identified as critically important by regional stakeholders during the development of the *Greater Whitsunday Digital Roadmap.*

3.1.1   Financial co-contribution

- *Re: All projects will be expected to leverage a substantial financial (cash) co-contribution to the capital costs*

Consider more detailed explanation of the applicability of 'in-kind' contribution (ie, the "market" value of peppercorn lease agreements with State Government/Councils/landowners) and the impact of these agreements on application eligibility and merit. In Queensland, the draft State Infrastructure Strategy clearly states on Page 94: "While the Queensland Government is a strong advocate for improved digital infrastructure to grow the economy and provide more digital services, the Australian Government and the private sector are responsible for the majority of infrastructure."

There is no allocated Queensland State Government budget to support digital co-contribution activities, which places the Greater Whitsunday region (and conceivably all Queensland applications) at somewhat of a disadvantage.

Therefore, the likely sources of financial (cash) co-contribution will be local councils, who may not have access to budgeted and approved funds for projects within the timeframe allowed for Regional Connectivity Program applications, limiting their ability to make full and properly made applications.

5.2   Eligible locations

- *Re: Ineligible Areas are: Urban Centres and Localities geographical units classified by the Australian Bureau of Statistics as 'Major Urban', ie, with a population of 100,000 or more. The Department will provide map overlays showing Ineligible Areas on request*

Consider greater clarity around the eligibility of smaller townships within 'Major Urban' locations, ideally determined at SA2 scale.   Ambiguity on eligibility of 'Major Urban' areas may inhibit potential applications.

During Round 2 applications, GW3 determined with the Department that despite the Mackay LGA being classified as 'Major Urban' with a population over 100,000 people, the small township of Finch Hatton was eligible and successful with an application.

Clarity around the eligibility of larger regional areas is critical to ensure smaller towns lacking in sufficient coverage and connectivity are not excluded from this funding opportunity.

GW3 recommends applying SA2 scale to eligibility criteria or releasing detailed mapping of eligible locations or provide further clarity regarding smaller townships within Major Urban locations.

- *Re: NBN Co rollout plans - In addition, for Regional Connectivity Solutions, Ineligible Areas also include:; Areas that NBN Co predominantly services or proposes to service with a Fixed-Line service.*

Consider the disadvantage and delay to regional development in areas where 'planned' upgrades (by NBN or other telcos) are not likely to be delivered until 2027 or later.

The better outcome would be, rather than to restrict applications based on telco plans, look to support regionally identified fast-tracked development opportunities through local or regional co-investment in Regional Connectivity Program solutions.

5.3.1 Eligible backhaul costs

- *Re: For both Mobile Black Spot Solutions and Regional Connectivity Solutions, funding may be sought for the capitalised cost of Backhaul over the Operational Period of Funded Projects, regardless of Backhaul technology.*

GW3 and partners welcome the inclusion of Backhaul technology in these draft guidelines to improve the quality of service guarantees to users in regional areas.

5.4 What the grant money cannot be used for

- *Re: To ensure that applicants do not see Program funding for Proposed Solutions in areas where they have already planned to invest commercially, all applicants must certify that none of the Proposed Solutions for which Grant Opportunity funds are being sought were at any time part of their forward build network expansion or upgrade plans from the period commencing from the date the Grant Opportunity opens until 30 June 2027*

As above (5.4 Eligible grant activities), consider the impact of this condition on eligibility and merit of applications that could address immediate and necessary improvements to ageing or absent digital infrastructure or connectivity services.

Proposed solutions that have been identified in applicants short to medium term network of upgrade plans could be regarded to have greater and more immediate positive impact on the communities covered under the application and therefore may have merit.

Additionally, as previously mentioned, consider the disadvantage and delay to regional development in areas where 'planned' upgrades (by NBN or other telcos) are not likely to be delivered until 2027 or later.

The preferred outcome would be, rather than to restrict applications based on telco plans, look to support regionally identified fast-tracked development opportunities through local or regional co-investment in Regional Connectivity Program solutions.

Also, government could consider the provision of funds to support initial operating and maintenance costs, given the reality in small populations and remote areas, there will unlikely be strong economic justification for high speed and higher volume connectivity (partly why MNO, MNIP and NBN have not already invested in some of the locations).

Every Australian deserves access to fast and reliable internet and mobile coverage so supporting initial start-up operations in locations with no and or very poor internet and mobile (excluding satellite) should be a priority.

6.1.1c Economic benefits of your project for the region

- *Re: facilitating greater competition in telecommunication retail services*

GW3 welcomes the inclusion of this merit criterion, because to create greater competition in telecommunications retail services in our region will ensure our businesses and communities have greater choice and in turn should receive a higher service level from providers.

- *Re: 6.1.1 Economic benefits criteria example*

Consider adding additional criterion to economic benefits to reflect the role of digital connectivity in reducing environmental impact and achieving decarbonisation outcomes:
- Connectivity for projects that help reduce environmental impacts through the use of smart technology, used to monitor and protect our environment and in turn help sustain various regional industries.

Project Noticeboard

- *Re: The Government has launched a Project Noticeboard for Round 3 of the RCP as part of the call for applications. The Noticeboard seeks to help communities form partnerships with the telecommunications sector to develop applications for Round 3 funding. Members of the community are invited to upload their project proposals to the Noticeboard throughout the application period.*

Consider greater clarification around the role of the Noticeboard and if this is a requirement of making a Round 3 application, or an optional step in the process, including the benefits of posting a project on the Program noticeboard.

If an intended outcome of the Regional Connectivity Program Round 3 is enhanced collaboration, making the use of the Noticeboard a mandatory requirement will ensure that both telcos and regions are aware of the opportunities and collaborative a subsequent outcome.