



13 February 2023

Communications Branch

Department of Infrastructure, Transport, Regional Development and Communications

Lodged via web portal

**Regional Connectivity Program Round 3 (including Mobile Blackspot Opportunities) Grant Opportunity Draft Guidelines**

Dear Sir/Madam,

Indara is pleased to provide this submission to Department's consultation on the above Regional Funding Guidelines (the draft "Guidelines"). As with the recent Round 2 funding guidelines process, this consultation again offers the opportunity to improve upon the fundamentally important and ongoing role of public funding to assist in bringing the benefits of competitive mobile services to more Australians.

Indara own and operate approximately 4,400 tower and rooftop assets and a specialist design and deployment firm that focusses on smart poles, called ENE.HUB. Indara's sites are located in all Australian states and territories, and we are currently building more than 600 new tower sites to support the digitalisation of our communities. All MNOs make extensive use of Indara's assets, as do approximately 200 other businesses, including emergency services organisations, broadcasters, wireless internet service providers (WISPs) and community service organisations.

Recent changes to the structure of the market for mobile services, developments in technology and the impact of broader economy wide investment incentives have significantly altered the way Australian consumers experience mobile telecommunications services. The Guidelines consultation is central in the development of new "fit for purpose" public funding rules to support the wider availability of competitive mobile services for regional locations and black spot areas where market failure is persistent and private investment unresponsive.

There are several observations that Indara would like to make with regard to the Guidelines:

**About Round 3:**

The Guidelines foreshadow the preference for multi-MNO solutions, including solutions that use active sharing technologies and/or mobile roaming. Indara notes its support for this approach in the previous consultation and is pleased to see this policy position stated explicitly in the Guidelines at clause 2.2. Indara also notes its support for the approach taken at Table 1 in relation to RSRP coverage modelling requirements which again reflect our suggestions in the previous draft guidelines.

In terms of local community priority at 2.2.2, Indara suggests that the Department could take a more active coordination role to assist various levels of State, Territory, and local governments to leverage their financial support for increased regional investments under the Guidelines.

### Grants Available:

Section 3.1 of the Guidelines outline the requirement for grantees to provide retail MNO services. Indara suggests that this provision be expanded to also cover grantees that contract with MNOs to deliver the underlying retail service. Indara notes that there are areas in the drafting of the Guidelines that presume the grantee is an MNO when in fact Infrastructure providers like Indara are also potential grantees.

Eligible expenditure at 5.3 sets out the grant limit for Mobile Black Spot Solutions, as being set at a level of up to 50% of the combined estimated Asset Capital Costs of building or installing Funded Mobile Black Spot Solutions, and the capitalised net present value (using a discount rate equivalent to the 10-year Treasury Bond Rate applied at the date of the application) of Operational Costs over the minimum Operational Period of a Funded Solution. Indara notes that under a multi-carrier sharing model, this is a relatively low level of co-contribution and requests that the Guidelines be amended to fund up to 90% of these costs providing that total funding obtained by the grantee from third parties, including State or Local Governments, does not exceed 100% of the estimated Asset Capital Cost. Linking the higher co-contribution levels to multi-carrier sharing proposals will also have the effect of the Department receiving more options that are aligned to efficient forward-looking solutions for their consideration.

Further, in relation to Regional Connectivity Solutions, 5.3 prohibits funding for operating and maintenance expenditure for Funded Projects. Given the fact that those costs are significant, Indara believes there is strong justification for either removing this prohibition or ensuring the funding cap for the program are increased well beyond the 50% noted above.

### Pre-application lodgment requirements:

The Department is proposing that significant handheld coverage data be included with the registration of a blackspot bid (clause 7.2). Indara suggests that given the extent of the data requested, a longer period be offered for either registration of participation or that the coverage data be provided within 60 days of registration.

Also, at 7.3, the wording:

*“Applicants applying for **Mobile Black Spot Solutions** should lodge any initial proposal locations where they are interested in partnering with another **MNO** on a site...”* “incorrectly presumes that the applicant is an MNO rather than a Mobile Network Infrastructure Provider (MNIP). This provision, as noted above, and any other similar ones, should be amended to reflect the policy driver that infrastructure builders, such as Indara, are being encouraged to join the program.

Indara would be pleased to provide a further briefing or related material to assist the Department in finalising the Guidelines.

