



REGIONAL CONNECTIVITY PROGRAM

Discussion Paper

Australian Private Networks Pty Ltd (APN) trading as Activ8me appreciates the opportunity to provide a response in relation to the Regional Connectivity Program – Discussion Paper.

APN is an Internet Service and Infrastructure Provider servicing Regional, Remote and Rural Australia declare we are an interested stakeholder. APN are pleased to submit a response to the questions outlined in the discussion paper and understand our response will be treated as non-confidential and information will be made publicly available.

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Response to Questions

Question 1

Are there additional key elements that should be incorporated into the design of the Regional Connectivity Program?

APN has no additional elements for consideration at this time.

Question 2

Should other parties, for example local government authorities, business organisations or industry groups, be allowed to lead a bid for Regional Connectivity Program funding?

There is merit in the Infrastructure Provider being the bid lead, as it ensures:

- Certainty of the solution.
- Validates the Infrastructure Provider based on their capability and experience. This will ensure quality providers are selected in a consistent approach.
- Confidence in the Infrastructure Providers ability to manage the solution for a 10-year period.

In the event the Department decides to allow other parties to be the bid lead, the Department should develop a framework to achieve the above requirements.

Question 3

Are there other organisations beside local, state and territory governments that could be considered 'trusted sources of information' for the purposes of identifying local telecommunications priorities?

APN believes there are other organisations that could be considered as 'trusted sources of information' for the purposes of local telecommunication priorities. These organisations will in many cases have more knowledge of the local area/region and have many years working with relevant local, state and territory governments to seek solutions for their regions or communities.

The key with accepting these other organisations is to ensure they have the view and commitment to deliver on the Regional Connectivity Program's mandate against social opportunities, community safety and economic value. If they cannot deliver on one or more, they should be excluded as a trusted source for the purpose of this program. It also should be the responsibility of the Infrastructure Provider to represent the trusted source in their submission for funding.

Other Organisations:

- Local shire councils – Whilst not specifically stated as local government, these councils provide valuable information to make informed decisions
- Indigenous Councils – These councils may act on behalf of a single Indigenous Community or many communities. They have an in depth understanding of the communities needs and in particular any social and economic impacts introducing digital technology capabilities would have on a community.
- Indigenous Corporations – Same as Indigenous councils
- Not for profit organisations – These would include organisations such as Royal Flying Doctor Service, The Isolated Children's Parent Association, National Farmers Federation, Northern Australia Connectivity Forum, etc

Question 4

Are there ways that the Department can facilitate linkages between potential infrastructure providers and local communities?

Yes, there are ways the Department can facilitate linkages between local communities and Infrastructure Providers. APN presents two ways this could be achieved:

- Develop a specific portal by where only approved Infrastructure Providers can access and have the local community or organisation or bodies lodge a request, similar to a tender process, but not as labour or document intensive.
- Through matching of the local community or organisation or bodies requirements to an Infrastructure Providers capability and either do a direct one to one linkage or one to many linkages.

Question 5

Are there any comments that you wish to make in relation to co-contributions?

It is APN's understanding based on the detail in the Regional Connectivity Program – discussion paper, that the Department will only fund the Capital Expenditure (CAPEX) for infrastructure, project delivery and the internet backhaul.

Operational Expenditure (OPEX), not being funded under the Regional Connectivity Program has significant implications for both 'not for profit and Indigenous communities', as they are unable to contribute sufficient ongoing funding to sustain the service. This has been evident based on our previous implementations, therefore if changes to OPEX are not included as a funded option, the likelihood of providing a solution to a 'not for profit and/or Indigenous community' is highly unlikely.

We acknowledge the intent of the program is focussed towards economic benefits to businesses however, we should not lose sight of our social responsibility.

APN presents two options for consideration and would be open to discuss other suggestions.

Options that will assist in sustaining the service for 10-year period, include:

1. Include the ongoing cost as part of the Fixed Price submission.
2. Enable the fund to provide a regular ongoing amount to the Infrastructure Provider.

OPEX covers the ongoing management which includes:

- Service Management - Support (Customer Contact Centre & NOC), Remote Management systems and self-service portal
- Operational Management – Relationship & integration to wholesale provider, Finance, Sales and Marketing
- Field Services – Sites visits for maintenance or service calls
- Backhaul – only if not part of CAPEX, but for provision of internet service with wholesale provider

Question 6

What type of projects should be considered for funding through the Regional Connectivity Program?

1. We acknowledge the intent of the Regional Connectivity Program is to fund non satellite infrastructure projects. However, in remote Australia satellite infrastructure can be the most appropriate and cost-effective means to deliver telecommunication solutions. Therefore, satellite-based infrastructure projects need to be considered as part of the Regional Connectivity Program in order to deliver viable solutions for Indigenous Communities and not for profit organisations such as-Royal Flying Doctor Service (RFDS).

As an Infrastructure Provider we currently have successful satellite-based telecommunication solutions throughout remote Australia, that deliver on social, economic, safety and environment benefits. Satellite-based infrastructure projects assist in addressing solutions for mental health, health clinics, digital inclusion, education and tourism. They also have the ability to provide basic services such as access to 'mygov.gov.au' and banking.

2. In addition, we believe the Regional Connectivity Program should be expanded to include IoT/Smart Communities. This could be based on any technology. IoT/Smart Communities can assist delivering on all the key mandated benefits (Social, Safety & Economic) and Environmental.

Question 7

Are there any comments that you wish to make in relation the proposal that all Funded Solutions will provide Retail Services for a minimum of 10 years after the Asset has become operational?

As per response in Question 5, APN reiterates the impacts of Operational Expenditure not being funded under the Regional Connectivity Program.

Operational Expenditure (OPEX), not being funded under the Regional Connectivity Program has significant implications for both 'not for profit and Indigenous communities', as they are unable to contribute sufficient ongoing funding. This has been evident based on our previous implementations, therefore if changes to OPEX are not included as a funded option, the likelihood of providing a solution to a 'not for profit and/or Indigenous community' is highly unlikely.

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Question 8

Are there any comments in relation to the proposed Eligible and Ineligible Areas?

We acknowledge the intent of the Regional Connectivity Program is to fund non satellite infrastructure projects, however, this will limit the areas for inclusion under the program. The Regional Connectivity Program needs to consider remote Australia, where satellite infrastructure can be the most appropriate and cost-effective means to deliver telecommunication solutions.

Remote Australia has a greater need to resolve the challenges when it comes to social and safety, let alone economic or environment. Our experience being over 16 years working with communities and organisations supporting communities in remote Australia shows that they place the highest value of resolving social and safety matters.

This question further supports the response in Question 6 for satellite-based infrastructure projects to deliver viable solutions for Indigenous Communities and not for profit organisations such as-Royal Flying Doctor Service (RFDS) in remote Australia.

Question 9

Are there any comments that you wish to make in relation to the proposed eligible and ineligible expenditure?

As per response in Question 5 and Question 7, APN reiterates the impacts of Operational Expenditure not being funded under the Regional Connectivity Program.

Question 10

Are there particular circumstances where it may be appropriate for the Commonwealth to make some contribution to ongoing operating expenses?

As per response in Question 5, Question 7 and Question 9, APN reiterates the impacts of Operational Expenditure not being funded under the Regional Connectivity Program.

Question 11

Is there a case for a third category, for highly localised solutions for projects that, for example, are seeking funding of less than \$200,000 (GST inclusive)?

APN believes there could be a case for a third category where project is less than \$200,000 (GST inclusive). In stating this it would be dependent on how the Department would like the Infrastructure Provider to group or not group projects, refer example below.

Example there may be a solution that cost \$115,000 (GST inclusive) for a single site/location, however there could be 10 different locations across remote Australia requiring the same solution. As a project this could be treated as 10 individual projects at cost of \$115,000 per location or 1 project at cost of \$1,150,000 to complete all 10. Same net cost by approvals would be processed differently.

Question 12

Are there any other design principles that should be considered?

1. Satellite infrastructure solutions need to be considered as part of the design principles. As indicated in Question 6 and Question 8, satellite infrastructure solutions can be the most appropriate and cost-effective means to deliver telecommunication solutions in remote Australia.
2. Ability to extend the design to include IoT should be considered as a design principle. IoT/Smart Communities whilst not a primary form of telecommunication is becoming a fundamental inclusion for businesses and councils to deliver on their objectives and goals. If not included as a primary design principle should at least be a secondary one, not to be excluded from a Regional Connectivity Program Funding request, dependent upon the value it can provide in delivery against the core benefits.

Other considerations for Regional Connectivity Program

APN understand Social, Safety and Economic are core benefits of the program. We believe Environment should also be considered as a benefit in evaluating the solutions.

Environmental benefits of the solution should be considered as a factor, specifically how can the solution assist the businesses in achieving their environmental key objectives, which may include reducing greenhouse gas emission intensity and managing a reduction in water consumption.

Profile

Since 2003 Australian Private Networks PTY LTD (APN) trading as Activ8me has been providing internet services to customers across Australia. It has grown to become the pre-eminent internet service provider (ISP) in rural, regional and remote Australia, including certified in nbn Sky Muster™ satellite services, Fixed Wireless and Fibre.

Holding carrier licence 167, APN has a proven track record of providing commercially viable solutions to Government agencies, Remote Communities, Not-For-Profit Organisations and commercial entities. Our solutions include:

- Satellite services
- Point to Point and Mesh network services
- Public WiFi services
- IoT services
- Fixed Wireless services
- Fibre services
- Telephony services

APN is 100% Australian owned and has 100% of its workforce located in Australia, the head office is located in Preston, Victoria. APN is an end to end service provider and is therefore structured to provide sales, in-house customer care department for the management of support and faults and acts as a conduit to the nbn so our customers receive seamless experience. APN develops its own software and hardware in Australia and where possible, when not produced in-house, it uses Australian hardware in its solutions.

APN has provided satellite internet services to a total of over 50,000 customers across Australia under the Australian Broadband Guarantee Scheme and similar Federal Government schemes. Under this program APN undertook all aspects of the delivery including detail planning, full stock and logistics/freight management, installation resources, field support and activation of services. In the process APN has become the largest single supplier for such services and are experts in the installation, support and maintenance of satellite services in rural and remote Australia. APN has made major investments and innovation in management systems and processes that have added significant value to the services provided. The result is a fully integrated service that combines order management, hardware procurement, warehousing and logistics and service delivery into a seamless package that ensures customers are connected as soon as possible and keeps them informed during the process.

Having exceptional working relationships with remote and Indigenous communities, federal and state government departments/agencies, local councils and remote businesses such as farmers. Proud partners with the Royal Flying Doctors Service and NSW Farmers Federation and are continually forming new alliances with other entities looking to innovate solutions in rural, regional and remote Australia.



APN is obliged to comply with many governing authorities and or policies such as but not limited to ACCC, TCP Code, ACMA, PCI Compliance, Privacy, Meta Data and has a fully certified management system which conforms to the Australian and international standards and is re-certified by external independent organisation to the latest standards regularly.