

18 March 2020

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The Australian Communications Consumer Action Network (ACCAN) is the peak body representing all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards communications services that are trusted, inclusive and available for all.

ACCAN thanks the Department of Infrastructure, Transport, Regional Development and Communications (the Department) for the opportunity to comment on its draft Regional Connectivity Program Grant Opportunity Guidelines. We support the submission of the Regional, Rural and Remote Communications Coalition in response to the Guidelines and welcome the introduction of the Regional Connectivity Program (RCP). Successful implementation of the Program will facilitate place-based telecommunications infrastructure solutions that boost economic opportunities and digital inclusion for remote, regional and rural communities and businesses.

ACCAN is pleased to see the Grant Opportunity Guidelines prioritise the place-based needs of local communities, informed by evidence from local industry, business, and community groups, not-for-profits and First Nations community-controlled organisations. A one-size-fits-all approach would not succeed in addressing the diverse telecommunications challenges faced by remote, regional and rural Australian communities. The inclusion of three funding streams, including a low-budget option to fund projects costing less than \$300,000, is also welcomed.

However, although the proposed guidelines for the Program's Grant Opportunity broadly encourage the development of new telecommunications projects that will provide economic and social benefits, after consultation with community groups and industry ACCAN believes revision to several aspects of the guidelines would improve the effectiveness of the program.

## 1. Timeframes

The timeframe for rollout of the program proposed by the draft guidelines, which requires completion of successful projects by 30 June 2021, will be challenging to achieve logistically. For example, even after the planning process to roll out a building program has been completed, it can take telecommunications service providers at least 12 months to determine an appropriate building site, obtain access to the site, build a tower's physical elements, and connect radio equipment and backhaul.

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ACCAN notes that implementation of the mobile blackspot program has taken much longer than the timeframes proposed by the Regional Connectivity Program. A more realistic timeframe for completion should be included in the grant guidelines to attract a wider spectrum of applicants and a broader range of proposed solutions from providers capable of successfully implementing improved telecommunications infrastructure projects.

## **2. Sustainability**

ACCAN welcomes the proviso that all Funded Solutions should provide retail services for a minimum period of 10 years after the Asset has become operational. However, the fact that grant funding will only be available for the capital costs of building or installing Funded Solutions has the potential to discourage larger telecommunications retail service providers from applying. As with the Mobile Blackspots Program, lack of long-term government funding support may limit the scope of proposals the Regional Connectivity Program will receive. Rather, offering operational as well as capital government investment would provide RSPs with the confidence and incentive to commit to providing regional, rural and remote telecommunications infrastructure over the 10-year period specified.

NBN Co has indicated a willingness to support smaller telecommunications providers in regional, remote and rural areas by guaranteeing the backhaul needed to enable remote networks to be built. However, the requirement that any proposed regional connectivity infrastructure development must be sustained for a minimum of 10 years without ongoing operational funding from government may act as a disincentive to small retail service providers' involvement in the program. Were the government to provide ongoing operational funding for Funded Solutions, more applications are likely to result.

## **3. Economic Benefit vs. Social Benefit (Merit Criterion 1 & 2)**

ACCAN is pleased to see Social Benefits (Merit Criterion 2) as well as Economic Benefits (Merit Criterion 1) included as selection criteria in the Grant Opportunity Guidelines. However, we support the RRRCC's submission that, when selecting successful grant applications, the selection process should not rank the economic benefits of a proposal more highly than the social benefits.

ACCAN submits that there are cases where social benefits and economic benefits should not be given equal weight when evaluating applications. In certain remote, regional and rural communities Proposed Solutions may promise to deliver limited economic benefits, but immeasurably important social benefits. These include addressing low digital inclusion, providing affordable services to places with entrenched disadvantage or providing people who are excluded with improved opportunities to access support services.

ACCAN submits that the social benefits provided by improved telecommunications infrastructure in these communities should outweigh any consideration of economic benefits offered by a Proposed Solution. Furthermore, economic benefits should be assessed broadly, to

take into account the considerable potential savings to government in delivering services online<sup>1</sup> to communities who are not currently connected. Similarly, in evaluating the 'Value for Money to the Commonwealth' offered by a Proposed Solution, social benefit should be a central – and in some cases overriding - consideration in the government's cost benefit analysis.

The sustainability of Funded Solutions with a primarily social benefit in small remote communities also needs to be considered in this context. Such projects in under-resourced, economically and socially disadvantaged regions are likely to require operational funding beyond initial capital investment to be sustainably deliver long-term social benefits.

#### **4. Competition, Capacity, Capability & Resources (Merit Criterion 3)**

The requirements of Merit Criterion 3 (competition, capacity, capability and resources to deliver the projects) of the Grant Opportunities Guidelines merit criteria discriminate against small disadvantaged communities. These communities lack the access to government, industry and third parties needed to successfully prepare, submit and roll out a partnership-based Proposed Solution. Greater government support will be needed to help these communities successfully develop and implement Funded Solutions in regional, remote and rural areas.

ACCAN submits that these communities need a government funded 'broker' to help form co-contribution partnerships and establish business partnerships with industry and other third parties to both develop professional-standard grant applications and roll out successful proposals. The role of the 'broker' should be included as an integral part of the grant opportunity and program implementation guidelines and should receive dedicated funding to ensure the most neglected and underserved regional, remote and rural areas reap the full benefits of the Regional Communications Program.

To facilitate the establishment of effective telecommunications solutions in remote, regional and rural areas, ACCAN encourages the government to provide open access to publicly funded infrastructure. Open access will facilitate the roll out of innovative and competitive Funded Solutions, delivered by a range of RSPs, in remote areas with restricted telecommunications service options.

#### **5. Co-contribution (Merit Criterion 4)**

Communities with a population of between 50 and 300 people experience the greatest disadvantage under current regional, rural and remote telecommunications programs. Yet Merit Criterion 4 (co-contribution) of the Grant Opportunities Guidelines merit criteria favours communities which already have the established relationships with local government, industry and other third parties needed to form co-contribution funding partnerships.

Remote communities lack the pre-existing contacts and experience required to attract co-contributions from state, territory and local government or other third parties. Expecting all

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<sup>1</sup> <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-digital-government-transformation-230715.pdf>

applicants for grant funding to leverage a substantial financial co-contribution to the capital costs of any Proposed Solution and stipulating that they are “solely responsible for forming relationships and negotiating contributions with any relevant third parties” discriminates against small disadvantaged communities. These rules effectively eliminate such communities from successfully applying for RSP funding to build essential telecommunications infrastructure.

ACCAN agrees with the RRRCC that the Grant Opportunity Guidelines merit criteria should not automatically exclude applications that do not include cash co-contributions. In cases where proposals will clearly deliver economic and social benefits to local communities, but do not include significant cash co-contributions, the value of proposed in-kind contributions should be considered instead as part of the assessment process.

## **6. Regional Connectivity Program Noticeboard**

ACCAN endorses the Department’s proposed noticeboard to facilitate linkages between telecommunications carriers and community projects. We support the RRRCC’s submission that the Department will both need to promote the noticeboard directly to RSPs and encourage RSPs to use the noticeboard in order to successfully connect carriers with viable community projects. We also encourage the government to promote the notice boards to local government organisations and regional organisations with direct links to community and business in regional areas to maximise engagement.

ACCAN again thanks the Department for the opportunity to comment on its draft Regional Connectivity Program Grant Opportunity Guidelines.

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