



18 March 2020

Regional Communications Branch
Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
CANBERRA ACT 2601

Via email: regionalconnectivity@communications.gov.au

To whom it may concern,

Re. Regional Connectivity Program Grant Opportunity Guidelines – draft

The Regional, Rural and Remote Communications Coalition (RRRCC) welcomes the opportunity to provide a submission to the Department of Infrastructure, Transport, Regional Development and Communications' (the department) *Regional Connectivity Program Grant Opportunity Guidelines – draft*

The RRRCC is an alliance of 21 volunteer and advocacy organisations with a shared interest in improving telecommunications in the bush. The Coalition was formed in 2016 to raise awareness of the important role of connectivity for regional, rural and remote Australians and to advocate for continued improvements. The RRRCC's advocacy efforts are focused on five high-level goals, under which we have articulated a number of specific asks. The RRRCC's five goals are:

1. Guaranteed access to voice and data services.
2. Equitable voice and data services that meet minimum standards and reliability.
3. Continued program to expand mobile coverage.
4. Digital capacity building for regional, rural and remote Australia.
5. Affordable communications services for regional, rural and remote Australia.

The RRRCC believes that Australian society and the economy stand to gain from having regional, rural and remote areas digitally connected. The Regional Connectivity Program (RCP) grants program (the grants program) is an important initiative that responds to findings of the 2018 Regional Telecommunications Review and will help deliver on the RRRCC's goals for equitable voice and data services and continued expansion of mobile and broadband coverage.

RRRCC member organisations have considered the draft grant guidelines and provide the following comments on specific elements of the guidelines that were found to be unclear or have generated concern.

Section 2.2 Project period

The draft guidelines require grantees to maintain the services for an operational period of 10 years after project completion. The RRRCC has some concerns about how this requirement will be enforced, given technology and market conditions are likely to change during this period. Further, the RRRCC notes that the timeframe for rollout of the program proposed by the draft guidelines, which requires completion of successful projects by 30 June 2021, will be very challenging 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 and radio equipment and backhaul.

We note that implementation of the previous rounds of the Mobile Blackspot Program has taken much longer than the timeframes proposed by 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.

Section 4.3 Eligible expenditure

The RRRCC welcomes the provision 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 for grants. As with the Mobile Blackspots Program, lack of long-term government funding support may limit the scope of proposals the grants 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 also 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.

Section 5: Merit Criteria (page 8)

RRRCC members are strong advocates for regional communities and support the department's approach to consider both the social and economic benefits of proposed projects. The RRRCC considers that the draft grant guidelines could be improved by making amendments to this section, to address the following issues:

- The language on page 8 regarding merit criterion 1 (economic benefits) and merit criterion 2 (social benefits) is likely to create confusion. It is clear that applicants must address one of either social or economic benefits, but it is not entirely clear that they could double their potential score by addressing both. The RRRCC suggest that both criteria should be compulsory, or that the department make it clear that applicants are encouraged to address both criteria. A project addressing only one of these criteria is highly unlikely to be competitive (as it would immediately forgo 15 points).
- The wording in the draft guidelines could be read to imply that economic benefits are ranked more highly than social benefits. From our discussions with the department the RRRCC understand that this is not the case, however this should be made clear to applicants.

It would be useful for the final guidelines to specify in the merit criteria introductory comments that applications will be scored out of a total 50 points, and this may go some way to addressing the above concerns.

Section 5.4 Criterion 4 (financial co-contributions)

The RRRCC understands the importance of using government funding to leverage investment from other sources, and the importance of co-contributions in creating 'buy-in'. As the draft grants guidelines stand, all projects are expected to leverage a substantial financial (cash) co-contribution to the capital costs of building or installing each solution. The guidelines also encourage applicants to seek financial contributions from state, territory or local governments, local communities and/or other third parties.

RRRCC members are concerned that generating significant cash co-contributions for the type of projects targeted by the program may be difficult, and that this criterion may prevent otherwise merit worthy projects from receiving grant funding. Community organisations and local governments, as well as state governments and other possible co-contributors, may not have resources available to provide meaningful cash co-contributions, particularly in areas that have been hard hit by recent drought, fire and flood events. The scale of the projects and the ongoing revenue potential may also deter significant cash co-contributions from telecommunications carriers.

The department should consider how this merit criteria is worded and assessed to best ensure projects that will deliver real economic and social value at the local level are competitive even without significant cash co-contribution. This might be by considering the relative additional investment rather than the total additional investment, and by considering in-kind contributions.

Section 7.2 Who will assess the applications?

The RRRCC considers that it will be very important for the grants evaluation committee to include at least one non-government member from regional Australia – or with previous experience in or demonstrated understanding of regional Australia. This individual should have technical knowledge of telecommunications technology and lived experience of regional telecommunications services.

Regional Connectivity Program Noticeboard

The RRRCC support the department's initiative to provide a noticeboard to facilitate linkages between telecommunications carriers and community projects. The RRRCC would note that its members have previous experience in using a similar method to connect RSPs and projects, and found some limitations. RSPs may be hesitant to provide project information and contact details on a public-facing platform due to commercial confidentiality concerns. It will be important for the department to promote the noticeboard directly to the RSPs and encourage them to utilise it to connect with viable projects. RRRCC member organisations will assist with the promotion of the noticeboard via social media and other communications channels.

Thank you again for the opportunity to provide a submission. Should you require any further information, please contact Adrienne Ryan, General Manager Rural Affairs at the National Farmers' Federation, on 02 6269 5666 or aryan@nff.org.au.

Yours sincerely,

The Regional, Rural and Remote Communications Coalition

