

28th October 2021



The Department of Infrastructure, Transport, Regional Development and Communications
Via email: regionalconnectivity@communications.gov.au

Re: Regional Connectivity Program Round 2 Grant Guidelines

ACCAN thanks the Department for the opportunity to contribute to its consultation on the Regional Connectivity Program Round 2 Grant Guidelines. ACCAN supports the Regional Connectivity Program (RCP) objectives to use a place-based approach to target telecommunications infrastructure investment that will respond to local priorities and maximise economic opportunities and social benefits for regional communities and businesses.

Despite significant investment in the National Broadband Network, Mobile Black Spot Program, RCP Round 1 and the telecommunications industry's commercial investment, there remain significant gaps in connectivity that can be more appropriately addressed through a greater range of targeted projects. ACCAN is regularly contacted by consumers and small businesses living in regional, rural and remote areas who are frustrated at the lack of connectivity in their area – for example, they live or work in a mobile black spot, their copper phonelines are degrading or due to the topography of their area Sky Muster Satellite services do not work sufficiently for them to engage fully in the digital economy. With appropriate Grant Guidelines, Round 2 of the RCP provides an opportunity to address some of these issues and improve digital inclusion for many regional, rural and remote consumers and small businesses.

Generally the Guidelines are appropriate for ensuring the desired outcome of the RCP is achieved. However ACCAN offers the following suggestions to strengthen the Guidelines to ensure that the program supports the needs of consumers in regional, rural and remote Australia:

Section 2.3.5 - Although we agree that applicants should demonstrate support from the local community, we are concerned that the most overt form of support will be financial co-contributions (such as contributions from state or local governments). ACCAN is aware of a community that is experiencing significant issues with lack of connectivity however the local government for the area is not interested in resolving the issues. So, whilst local support is important, state/local governments should not be the benchmark for support and there should be room for documented interest from local community members to be considered within the Guidelines.

Section 5.1 - We support the idea that where mobile solutions are provided, this must include an auxiliary back-up power supply. During the 2019-2020 bushfire season, the ACMA reported that

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nationally, the average communication outage during the bushfires was 3.5 days.¹ Therefore we recommend extending the timeframe for backup power supply to 4 - 7 days in bushfire prone or remote areas to ensure maintenance of communications services during power outages and to allow sufficient time for technicians to restore services. Furthermore, consideration of measures to improve the resilience of the infrastructure (emergency power solutions such as generators, expanded protection zones, redundant backhaul etc.) is needed, particularly in bushfire prone areas.

Section 6.3.1 - While we understand the need to ensure that a proposed solution and technology being adopted is effective, the requirement to demonstrate the maturity of the proposed solution should only go as far as proving that the technology works over a trial period. So long as the proposed solution and technology has been proven to work in a robust trial, there should be no reason for newer models of delivery to be disregarded if they are able to provide improved services and/or better value for money.

Section 6.3.1 - Similarly, the requirement for the candidate to demonstrate a track record for delivering similar projects should only be a consideration to the extent that the candidate is capable of delivering the project. A capable candidate with a limited track record should still be considered if their project has merit. We consider that this will work towards the Department's outcome of *promoting an innovative and competitive communications sector*.

Section 6.5 - We are concerned that section 6.5 does not provide enough clarity and transparency in the grant making process to ensure that the grants are going to the projects that maximise economic and social benefit. The Guidelines stipulate that the Department reserves the right to recommend funding one or more proposed solutions which were lower ranked against the Merit Criteria than other proposed solutions. The Department also reserves the right to recommend not funding one or more proposed solutions which are highly ranked against the Merit Criteria based on the Value for Money assessment. Given it has the ability to undermine the competitive merit-based selection process, it is imperative that the Value for Money assessment is clearly defined and transparent. ACCAN is concerned that if the Value for Money assessment is not transparent this may result in procedural uncertainty for local communities seeking funding to address their telecommunications needs, and ultimately, poorer outcomes for consumers. The Value for Money assessment can be improved through:

- Changing the sentence '*Factors that may be considered in the value for money assessment include, but are not limited to the:*' to '*Factors that may be considered in the value for money assessment are:*'. Factors to be considered in the Value for Money assessment need to be listed specifically, changing this wording would help ensure the Value for Money assessment is clearly predefined to improve transparency around the decisions made.
- Where the extent to which a proposal addresses a government priority is considered, the government priority requires clarification and should be listed in section 6.5. We believe that the government priority on which the Value of Money should be assessed should be the Department's outcome described on page 4 of the Guidelines: *Promote an innovative and competitive communications sector, through policy development, advice and program*

¹ <https://www.acma.gov.au/publications/2020-04/report/impacts-2019-20-bushfires-telecommunications-network>

delivery, so all Australians can realise the full potential of digital technologies and communications services.

- Lastly, it is not clear to ACCAN why there is a need to ensure that an appropriate spread of project types is considered. The most appropriate project types should be chosen based on the Merit Criteria, and whether or not they are similar to other funded projects should not matter so long as the projects are providing the greatest economic and social benefit.

If you have any questions regarding our submission, please do not hesitate to contact me.

Sincerely,

Megan Ward

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