# Mobile Network Hardening Program—Stage 1 Guidelines (enhancement to Mobile Black Spot Program Rounds 1 and 2)

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Commonwealth policy entity:	Department of Infrastructure, Transport, Regional Development and Communications
Administering entity	Department of Infrastructure, Transport, Regional Development and Communications
Enquiries:	If you have any questions, please contact mobilecoverage@communications.gov.au. Questions should be sent no later than 14 October 2020.
	Further information on the program is available on the Department's website at <a href="https://www.communications.gov.au/phone/improving-resilience-australias-telco-networks">www.communications.gov.au/phone/improving-resilience-australias-telco-networks</a> .
Date guidelines released:	1 October 2020
Type of grant opportunity:	Targeted Competitive

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# Mobile Network Hardening Program – Stage 1:

#### The Program is designed to achieve Australian Government objectives

This grant opportunity is part of the Government's \$37.1 million Strengthening Telecommunications Against Natural Disasters package to improve the resilience of communications networks. It will be delivered as an enhancement to the Mobile Black Spot Program (MBSP), which contributes to the Department of Infrastructure, Transport, Regional Development and Communications' (the Department's) Portfolio Budget Statement Outcome 5. The Department works with stakeholders to plan and design the grant program according to the <u>Commonwealth Grants Rules and Guidelines</u> (CGRGs).



#### Release of Guidelines and call for applications for supplementary grant funding

At the same time as releasing these Guidelines on <u>GrantConnect</u>, each Eligible Applicant will be approached to submit an application for grant funding to upgrade the back-up power at eligible MBSP Funded Base Stations.



## Preparing and submitting applications

Each Eligible Applicant will be provided with an application pack that includes an Assessment Tool pre-populated with a list of its eligible MBSP Funded Base Stations, instructions on how to complete the Assessment Tool, details of other information required in applications for funding, and an indicative draft variation agreement to its Round 1 and/or Round 2 MBSP funding agreement to incorporate Stage 1 funding.



## **Assessment of Applications**

The Department will assess all applications received by the closing date to confirm that the application meets the eligibility criteria and determine which Proposed Back-up Power Upgrades are to be recommended for funding in Draft Merit List 1 and, if needed, Draft Merit List 2.



#### Draft Merit List(s) Provided to the Decision Maker

Draft Merit List 1 and, if needed, Draft Merit List 2 of Proposed Back-up Power Upgrades will be provided to the Decision Maker for consideration.



#### Grantees advised of outcomes and funding arrangements finalised

The Department will notify each Eligible Applicant of the Proposed Back-up Power Upgrades included in its application that the Decision Maker has decided to fund and issue the Grantee with a draft variation agreement to its Round 1 and/or Round 2 MBSP funding agreement to give effect to the Decision Maker's decision.



#### **Negotiation of Variation Agreement**

Where an applicant requests an amendment to the draft variation agreement, the Department will negotiate with the applicant.



#### **Grantees and locations announced**

The locations of funded upgrades are expected to be announced by the Government in November 2020. The outcomes of this process and grant outcomes will be published on GrantConnect.

#### 1.1 Introduction

These guidelines contain information for the Mobile Network Hardening Program Stage 1 (Stage 1 of the Program) and include relevant information concerning:

- who is eligible to apply for funding;
- how to apply for funding; and
- how funding will be allocated under Stage 1 of the Program.

You must read these guidelines before filling out an application.

This document sets out:

- the purpose of Stage 1 of the Program;
- the eligibility and assessment criteria;
- how grant applications are considered and selected:
- how grantees are notified and receive grant payments;
- how grantees will be monitored and evaluated; and
- responsibilities and expectations in relation to the opportunity.

# 2. About the grant program

The purpose of the Program is to increase the resilience of (i.e. to harden) Australia's telecommunication networks to help prevent, mitigate and manage outages during bushfires and other natural disasters.

The Program is part of the \$37.1 million (GST exclusive) Strengthening Telecommunications Against Natural Disasters (STAND) Package<sup>1</sup>. STAND was announced as part of the Australian Government's \$650 million bushfire recovery funding package, which is a component of the Government's \$2 billion National Bushfire Recovery Fund announced in January 2020.

Stage 1 of the Program is an enhancement to the established Mobile Black Spot Program<sup>2</sup> (MBSP), which contributes to the Department of Infrastructure, Transport, Regional Development and Communications' (the Department's) Portfolio Budget Statement Outcome 5. Grants will be administered through variations to the Eligible Applicant's MBSP Round 1 and/or Round 2 funding agreements.

The objective of Stage 1 of the Program is to fund investment in telecommunications infrastructure to improve the reliability of mobile voice and data coverage, in particular by strengthening the resilience of MBSP Round 1 and 2 macro cell mobile base stations to power outages during bushfires and other natural disasters.

At the time of funding mobile base stations under Round 1 and Round 2 of the MBSP, the industry standard was for between three and eight hours of battery back-up power for macro cell base stations. Experience gained through the subsequent rounds of the MBSP, and community input, have highlighted the benefits of extending the battery back-up power at MBSP Funded Base

<sup>&</sup>lt;sup>1</sup> www.communications.gov.au/phone/improving-resilience-australias-telco-networks

<sup>&</sup>lt;sup>2</sup> www.communications.gov.au/what-we-do/phone/mobile-services-and-coverage/mobile-black-spot-program

Stations. Since Round 3 of the MBSP all funded macro cell base stations have been provisioned with at least 12 hours of auxiliary back-up power.

The aim of Stage 1 of the Program is to fund upgrades to back-up power at up to 716 macro cell base stations funded through Round 1 and Round 2 of the MBSP to 12 hours of auxiliary back-up power, where feasible, for the remainder of the operational life of the base stations.

Stage 1 of the Program has been developed by the Department following:

- consideration of the Australian Communications and Media Authority (ACMA) report on the impacts of the 2019-2020 bushfires on the telecommunications network;<sup>3</sup>
- an analysis of sites funded under Round 1 and Round 2 of the MBSP; and
- consultation with the Eligible Applicants.

Stage 1 of the Program is to be undertaken in accordance with the <u>Commonwealth Grants Rules</u> and <u>Guidelines (CGRGs)</u> <sup>4</sup>

## Grant amount and grant period

#### 3.1 Grants available

The Australian Government has announced the Mobile Network Hardening Program that will comprise two stages. Up to \$13.2 million (GST inclusive)<sup>5</sup> has been nominally allocated to Stage 1 of the Program. While this funding will be delivered through variations to existing MBSP Round 1 and Round 2 funding agreements, it will be used for targeted upgrades to back-up power at base stations included in these agreements, rather than as a general extension of MBSP funding.

There is no minimum or maximum funding amount for each Proposed Back-up Power Upgrade under Stage 1 of the Program, but funding will not exceed the reasonable capital expenditure costs of implementing each Proposed Back-up Power Upgrade.

#### 3.2 Grant period

Upgrades to back-up power funded through the program should commence as soon as possible following the execution of a variation to each Eligible Applicant's MBSP Round 1 and/or Round 2 funding agreements.

Neither the length of the term of the Eligible Applicants' funding agreements nor the Operational Period of individual MBSP Funded Base Stations for which upgrades to back-up power are funded will be changed by the variations proposed to implement grants under Stage 1 of the Program.

# 4. Eligibility criteria

The Department cannot consider an application if the applicant does not satisfy all the eligibility criteria.

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<sup>&</sup>lt;sup>3</sup> https://www.acma.gov.au/publications/2020-04/report/impacts-2019-20-bushfires-telecommunications-network

<sup>4</sup> https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf

<sup>&</sup>lt;sup>5</sup> Up to \$12 million (GST exclusive)

## 4.1 Who is eligible to apply for a grant?

Stage 1 of the Program has been established as a targeted competitive grant. The Government considers that this is an appropriate type of selection process to give effect to its stated objective for Stage 1 of the Program, which is specifically dependent on sites a mobile network operator is contracted to deliver under Round 1 and Round 2 of the MBSP.

Only mobile network operators that received funding under Round 1 and/or Round 2 of the MBSP, being Optus (MBSP Round 2 only), Telstra, and TPG Telecom (formerly Vodafone Hutchison Australia), are Eligible Applicants for this grant opportunity.

## 5. What the grant money can be used for

### 5.1 Eligible grant activities

To be eligible, activities under Stage 1 of the Program must be solely aimed at providing upgrades to back-up power solutions that are:

- currently in place at a completed MBSP Funded Base Station, where that back-up power solution is compliant with any existing requirements under the relevant MBSP funding agreement but does not provide 12 hours or more of auxiliary back-up power for the remainder of the Operational Period of the base station; or
- planned for a yet-to-be-completed MBSP Funded Base Station, where that back-up power solution will be compliant with any existing requirements under the relevant MBSP funding agreement but will not provide 12 hours or more of auxiliary back-up power for the remainder of the Operational Period of the base station.

If an Eligible Applicant is seeking funding to upgrade back-up power at a MBSP Funded Base Station, it should submit one 12 Hour Proposed Back-up Power Upgrade for that base station (along with one or more alternative Proposed Back-up Power Upgrades if it chooses). However, if the Eligible Applicant is unable to submit a 12 Hour Proposed Back-up Power Upgrade for a MBSP Funded Base Station because the circumstances or site characteristics of that base station mean that it is technically infeasible to meet this standard, other Proposed Back-up Power Upgrades for that base station will not be ineligible for this reason.

#### 5.2 Eligible expenditure

Funding for Stage 1 of the Program may only be spent on capital costs directly related to upgrades as described at Section 5.1 above.

#### 5.3 What the grant money cannot be used for

Ineligible grant activities include:

- upgrades or improvements to, or other works on, a MBSP Funded Base Station that are not directly related to the implementation of an upgrade to back-up power, as described at Section 5.1 above
- upgrades to back-up power on small cell mobile base stations an Eligible Applicant is contracted to deliver under a MBSP Round 1 and/or 2 funding agreement; and
- any works, including upgrades to back-up power, on base stations or other infrastructure that are not MBSP Funded Base Stations.

The grant cannot be used for the following costs:

- operational and/or maintenance costs incurred as a result of upgrades to back-up power solutions funded through the grant;
- the cost of replacing existing back-up power capacity, or undertaking remedial works on existing back-up power solutions, at a MBSP Funded Base Station, except where the Eligible Applicant has demonstrated that doing so enables a Proposed Back-up Power Upgrade to be completed at that MBSP Funded Base Station more efficiently and effectively (from a cost or technical standpoint) than would otherwise be possible. In general, the Commonwealth's position is that replacement and maintenance costs for back-up power solutions installed at MBSP Funded Base Stations are the responsibility of the Eligible Applicant; or
- any cost for which an Eligible Applicant is already receiving funding from the Commonwealth, or which is to be covered by its own contributions or other third party contributions, under a MBSP Round 1 or Round 2 funding agreement.<sup>6</sup>

## 6. The assessment criteria

#### 12 Hour Proposed Back-up Power Upgrades

Each Eligible Applicant may submit an application (at **Appendix A**) for grant funding for one 12 Hour Proposed Back-up Power Upgrade at each MBSP Funded Base Station.

- The primary criterion on which the Department will assess the merit of the 12 Hour Proposed Back-up Power Upgrades is their cost to the Commonwealth. The lower the cost of a 12 Hour Proposed Back-up Power Upgrade, the higher its ranking will be.
- If an Eligible Applicant has not submitted a 12 Hour Proposed Back-up Power Upgrade for a MBSP Funded Base Station for reasons described in section 5.1, a Proposed Back-up Power Upgrade that provides a shorter period of auxiliary back-up power at that MBSP Funded Base Station may be submitted, and will be assessed and ranked against the 12 Hour Proposed Back-up Power Upgrades on the same basis.
- If two or more Proposed Back-up Power Upgrades are equally ranked due to having the same cost to the Commonwealth, including because they are part of the same batch proposal, as described in section 7, the secondary criterion on which the Department will assess their comparative merit is the <a href="number of New Premises they serve">number of New Premises</a> they serve (see Glossary for definition of <a href="New Premises">New Premises</a>).

The Department will use this assessment to prepare Draft Merit List 1, as described in section 8.

#### Alternative Proposed Back-up Power Upgrade options

In addition, Eligible Applicants may choose to include in their application one or more alternative Proposed Back-up Power Upgrade options for a MBSP Funded Base Station that have a lower cost to the Commonwealth but result in a shorter period of back-up power. Eligible Applicants may choose to do so on the basis that, if it is not possible to fund all 12 Hour Proposed Back-up Power Upgrades within available funding, the Decision Maker may consider prioritising upgrades to as

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<sup>&</sup>lt;sup>6</sup> This includes the expected cost of installing a planned back-up power solution at a yet-to-be-completed MBSP Funded Base Station to a standard that would be:

<sup>•</sup> compliant with any existing requirements under the relevant MBSP funding agreement, or

<sup>•</sup> consistent with the Eligible Applicant's usual current practice for a new mobile base station,

whichever standard is the higher. For yet-to-be-completed MBSP Funded Base Stations, the proposed cost to the Commonwealth of the Proposed Back-up Power Upgrade should therefore only be the marginal cost above the expected cost of the planned back-up power solution, minus any proposed contribution from an Eligible Applicant.

many MBSP Funded Base Stations as possible, even if they result in shorter periods of back-up power at some sites.

If the Department prepares a Draft Merit List 2, as outlined in Section 8, it will initially do so on the basis of a comparative assessment of the Proposed Back-up Power Upgrade option submitted for each MBSP Funded Base Station that has the <u>lowest cost to the Commonwealth</u>.

- The primary criterion on which the Department will assess the merit of the Proposed Back-up Power Upgrades in Draft Merit List 2 is their <u>cost to the Commonwealth</u>. The lower the cost of a Proposed Back-up Power Upgrade (regardless of the number of hours of back-up power it will result in at the MBSP Funded Base Station), the higher its ranking will be.
- If two or more Proposed Back-up Power Upgrades in Draft Merit List 2 are equally ranked due to having the same cost to the Commonwealth, the secondary criterion on which the Department will assess their comparative merit is the <u>number of hours of back-up power it will</u> result in at the MBSP Funded Base Station.
- If two or more Proposed Back-up Power Upgrades are still equally ranked after the application of the primary and secondary criteria (including because they are part of the same batch proposal, as described in section 7), the tertiary criterion on which the Department will assess their comparative merit is number of New Premises they serve.

#### Overarching value for money assessment

The Department will finalise Draft Merit List 1 and, if required, Draft Merit List 2 by conducting an overarching <u>value for money assessment</u> that will include, but is not necessarily limited to, consideration of:

- the Government's objectives for Stage 1 of the Program;
- the number of New Premises served by the MBSP Funded Base Station;
- the number of other base stations, if any, for which the MBSP Funded Base Station is a backhaul feeder site; and
- the number of additional hours of back-up power that a Proposed Back-up Power Upgrade would provide at a MBSP Funded Base Station.

# 7. How to apply

Before applying, the Eligible Applicant must read and understand these guidelines, including the Application Pack at **Appendix A** and the Assessment Tool at **Appendix B**.

These documents may be found on <u>GrantConnect</u>. Any alterations and addenda<sup>7</sup> will be published on GrantConnect and by registering on this website, each Eligible Applicant will be automatically notified of any changes. GrantConnect is the authoritative source for grants information.

Each Eligible Applicant will be provided with an individualised Assessment Tool listing all MBSP Funded Base Stations for which it is eligible to apply for grant funding under Stage 1 of the Program. If an error is found, contact us immediately at <a href="mailto:mobilecoverage@communications.gov.au">mobilecoverage@communications.gov.au</a>.

To apply Eligible Applicants must complete the application pack, including the Assessment Tool. The Assessment Tool requires applicants to:

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<sup>&</sup>lt;sup>7</sup> Alterations and addenda include but are not limited to: corrections to currently published documents, changes to close times for applications, Questions and Answers (Q&A) documents and Frequently Asked Questions (FAQ) documents

- provide information on each MBSP Funded Base Station, including on whether funding is being sought for a Proposed Back-up Power Upgrade to that MBSP Funded Base Station and the number of other base stations, if any, for which it is a backhaul feeder site;
- provide details of the current auxiliary back-up power solution at each MBSP Funded Base Station for which funding for a Proposed Back-up Power Upgrade is being sought, and the back-up power solution for the Proposed Back-up Power Upgrade;
- the estimated costs for each Proposed Back-up Power Upgrade, including the proposed cost to the Commonwealth and any proposed co-contributions by the Eligible Applicant; and
- any other information relevant to each site and/or Proposed Back-up Power Upgrade.

The Assessment Tool also gives applicants the option of:

- grouping Proposed Back-up Power Upgrades to multiple MBSP Funded Base Stations in "batch proposals", through which costs for Proposed Back-up Power Upgrades can be presented:
  - as an average cost for <u>all</u> MBSP Funded Base Stations for which an upgrade is proposed, assuming that all will be funded (e.g. N base stations using X technology at \$X per base station);
  - in bands (e.g. N1 base stations at \$X per base station; N2 base stations at \$Y per base station; etc.);
- providing for consideration a second, alternative Proposed Back-up Power Upgrade option for a MBSP Funded Base Station that differs from the first in cost, technology and/or resulting total back-up power. (If an Eligible Applicant wishes to provide a third option, it may do so by completing an additional Assessment Tool.)

Each Eligible Applicant will also be provided with indicative variations to its MBSP Round 1 and/or Round 2 funding agreements for consideration. At the time of submitting its application, an Eligible Applicant must also indicate its compliance with the indicative draft variation(s). Where the terms of the indicative draft variation are not accepted in full, the Eligible Applicant is required to complete and submit the table at Section 4 of the Application Pack at **Appendix A**.

If the Department finds an error or information that is missing after the closing date for applications, the Department may ask for clarification or additional information that will not change the nature of the application. Additionally, if the Department identifies additional information that would be useful in assessing the application, it may ask for this information.

Eligible Applicants should keep a copy of their application and any supporting documents. The Department will acknowledge that the application has been received within five working days.

#### 7.1 Attachments to the application

The Eligible Applicant may choose to provide additional supporting information (e.g. on the technology or technologies proposed for use in Proposed Back-up Power Upgrades) separately in a format of its choice.

#### 7.2 Timing of grant opportunity processes

Applications must be submitted to <a href="mobilecoverage@communications.gov.au">mobilecoverage@communications.gov.au</a> by 18 October 2020. The Department will only accept a late application in exceptional circumstances, and reserves the right not to consider any application made after the closing date. If an error is found after submitting, contact us immediately at <a href="mobilecoverage@communications.gov.au">mobilecoverage@communications.gov.au</a>.

If an Eligible Applicant is successful, the Department expects the Proposed Back-up Power Upgrade will commence as soon as possible after executing a variation to the Eligible Applicant's MBSP Round 1 and/or Round 2 funding agreements, indicatively in November 2020.

#### 7.3 Questions during the application process

All requests for clarification to these Guidelines should be referred to the Department by email at <a href="mailto:mobilecoverage@communications.gov.au">mobilecoverage@communications.gov.au</a>. The Department will respond to emailed questions within two business days. If an Eligible Applicant requests clarification of a provision in these Guidelines, the Department's written decision on the matter is final. Answers to questions may be posted on GrantConnect where appropriate.

## 8. The grant selection process

## 8.1 Assessment of grant applications

Following the closing date for applications, the Department will undertake an initial check to ensure each application is complete and that all necessary supporting documentation has been submitted as part of the application. The Department may, at its absolute discretion, contact an applicant to request missing information.

The Department will first review each application against the eligibility criteria. The Department will then consider eligible applications through a targeted competitive grant process.

The Department will assess eligible Proposed Back-up Power Upgrades included in the application against the assessment criteria (see Section 6) and against other applications. The Department will consider each Proposed Back-up Power Upgrade on its merits, based on:

- how well it meets the assessment criteria;
- how it compares to other Proposed Back-up Power Upgrades included in the application and other applications; and
- whether it provides value with relevant money.8

When assessing the extent to which a Proposed Back-up Power Upgrade represents value with relevant money, the Department will have regard to:

- the overall objectives to be achieved in Stage 1 of the Program;
- the relative value of the grant sought;
- any co-contribution; and
- the extent to which the evidence in the application demonstrates that it will contribute to meeting the objectives.

In conducting its assessment, the Department may seek technical advice from independent industry experts.

### <u>Draft Merit List 1—prioritising 12 Hour Proposed Back-up Power Upgrades</u>

Based on its assessment of applications, the Department will provide a recommendation to the Decision Maker (Draft Merit List 1) on which Proposed Back-up Power Upgrades should be funded in order to meet the Government's objectives for Stage 1 by prioritising funding for 12 Hour Proposed Back-up Power Upgrades. Depending on the costs put forward by all Eligible Applicants,

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<sup>&</sup>lt;sup>8</sup> See glossary for an explanation of 'value with money'.

this approach may mean that some MBSP Funded Base Stations do not receive an upgrade to back-up power.

Draft Merit List 1 will only include Proposed Back-up Power Upgrades that:

- provide value with relevant money, and
- are 12 Hour Proposed Back-up Power Upgrades (except where an Eligible Applicant has not submitted a 12 Hour Proposed Back-up Power Upgrade at a MBSP Funded Base Station for reasons described in section 5.1, in which case a Proposed Back-up Power Upgrade resulting in a shorter period of back-up power at that MBSP Funded Base Station may be included).

If it is not possible within indicative Stage 1 funding to fund all of the Proposed Back-up Power Upgrades on Draft Merit List 1, the Department will apply a funding cut-off to Draft Merit List 1 based on the available funding.

#### Draft Merit List 2—prioritising upgrades to as many MBSP Funded Base Stations as possible

If Draft Merit List 1 has MBSP Funded Base Stations below the funding cut-off point and one or more Eligible Applicants has submitted alternative, lower-cost Proposed Back-up Power Upgrade options for individual MBSP Funded Base Stations for consideration, the Department will develop a second Draft Merit List (Draft Merit List 2) to provide to the Decision Maker for consideration.

The purpose of Draft Merit List 2 would be to provide an alternative way to meet the Government's objectives for Stage 1 within available funding by prioritising the funding of Proposed Back-up Power Upgrades to as many MBSP Funded Base Stations as possible within the available funding. This approach may mean that some or all MBSP Funded Base Stations receive alternative Proposed Back-up Power Upgrades that result in them having a total period of back-up power that is less than 12 hours.

A Proposed Back-up Power Upgrade will only be included on Draft Merit List 2 if it provides value with relevant money.

Further information on how the Department will apply the Assessment Criteria in preparing Draft Merit List 1 and Draft Merit List 2 is at Section 6.

#### 8.2 Who will approve grants?

The Decision Maker will review the Department's recommendations set out in Draft Merit List 1 and, if provided, Draft Merit List 2, and may do one or more of the following:

- approve the recommendations in Draft Merit List 1 or Draft Merit List 2;
- approve a combination of Proposed Back-up Power Upgrades that includes recommendations from both Draft Merit List 1 and Draft Merit List 2;
- seek further information from the Department;
- make any amendments to Draft Merit List 1 or Draft Merit List 2 the Decision Maker deems necessary.

The Decision Maker will make the final decision on all applications for funding, including in relation to the determination of which Proposed Back-up Power Upgrades are funded.

# 9. Notification of application outcomes

Following a decision by the Decision Maker, the Department will advise each applicant of the outcome in writing, including any specific conditions attached to the grant.

## 10. Successful grant applications

# 10.1 Variation to MBSP Round 1 and/or Round 2 funding agreements to include the grant

The Department will issue successful Grantees with draft variations to their Round 1 and/or Round 2 MBSP funding agreement(s) to give effect to the Decision Maker's decision.

Where a Grantee indicates via the table in Section 4 of its completed Application Pack that the terms of the indicative draft variation provided at the time these Guidelines are issued are not accepted in full, the draft variation will incorporate any requested amendments that the Department considers acceptable. Where the Grantee requests an amendment to the variation that is the Department does not consider acceptable, it will negotiate with the applicant.

A variation must be executed before the Department can make any payments to Grantees.

The Commonwealth intends for the grant activity to commence as soon as possible following the Decision Maker's decision and will seek to promptly negotiate and arrange to execute the variation. However, if the Eligible Applicant chooses to start the grant activity before a variation is executed, it does so at its own risk.

#### 10.2 How the grant will be paid

The MBSP Round 1 and 2 funding agreements, as varied to include the additional grant funding provided through Stage 1 of the Program, will state:

- the maximum additional grant amount to be paid through that agreement for Proposed Back-up Power Upgrades;
- any additional financial contributions Eligible Applicants propose to make for Proposed Back-up Power Upgrades;
- a list of base stations to be upgraded, including details of each back-up power solution to be implemented, the estimated cost of the upgrade at each site, and the proposed rollout schedule for the upgrades;
- the payment milestones and timeframes for the additional grant funding; and
- the process for reconciling actual costs against estimated costs, including in relation to balancing cost overspends and underspends.

The Department will make payments according to the payment milestones and timeframes set out in the funding agreements as varied.

## 10.3 Grants Payments and GST

Payments will be GST Inclusive, as set out in the variation.

# 11. Announcement of grants

Successful grants will be listed on GrantConnect, no later than 21 calendar days after the date of effect as required by Section 5.3 of the CGRGs.

## 12. How we monitor the grant activity

The variations to the MBSP Round 1 and/or Round 2 funding agreements will include provisions requiring that the Grantee submit reports in line with the timeframes in the funding agreements as varied. This will include:

- a monthly update to the rollout schedule for funded back-up power upgrades, including confirmation of which back-up power upgrades have been completed;
- a final certification report confirming that all back-up power upgrades have been completed, as well as the technology used to deliver the upgrade; and
- a statement confirming the actual eligible expenditure of grant funds and the Grantee's contributions (if any) on the grant activity, including reconciliation of cost overspends and underspends on individual base stations.

#### 12.1 Evaluation

The Department will evaluate the grant to measure how well the outcomes and objectives have been achieved and may use information from the application pack and reports for this purpose. The Department may also interview applicants, or ask for more information to help understand how the grant impacted and to evaluate how effective the program was in achieving its outcomes.

## 13. Probity

The Australian Government will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

These guidelines may be changed from time to time by the Department. When this happens, the revised guidelines will be published on GrantConnect.

## 13.1 Enquiries and feedback

An Eligible Applicant wishing to seek a review of the decision relating to its application for Stage 1 of the Program should contact the Department by email at <a href="mailto:mobilecoverage@communications.gov.au">mobilecoverage@communications.gov.au</a> within two weeks of the issue of notification of the

decision. The Department will review that decision internally and notify the Eligible Applicant(s) of the outcome of the review.

An Eligible Applicant that is dissatisfied with the review may contact:

The Commonwealth Ombudsman GPO Box 442 Canberra ACT 2601 Telephone: 02 6276 0111

Toll free: 1300 362 072

Website: www.ombudsman.gov.au

Eligible Applicants should note that the Commonwealth Ombudsman can only review the Department's assessment processes, not any specific funding decision.

#### 13.2 Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity. There may be a conflict of interest, or perceived conflict of interest, if the Department's staff, any member of a committee or advisor and/or the Eligible Applicant or any of the Eligible Applicant's personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program.

Eligible Applicants will be asked to declare, as part of the application, any perceived or existing conflicts of interests or that, to the best of the applicant's knowledge, there is no conflict of interest.

If an Eligible Applicant later identifies an actual, apparent, or perceived conflict of interest, it must inform the Department in writing immediately.

Conflicts of interest for Australian Government staff will be handled as set out in the Australian Public Service Code of Conduct (Section 13(7)) of the Public Service Act 1999. Committee members and other officials including the decision maker must also declare any conflicts of interest.

### 13.3 Privacy

We treat an Eligible Applicant's personal information according to the <u>Privacy Act 1988</u> and the <u>Australian Privacy Principles</u>. This includes letting the Eligible Applicant know:

- what personal information we collect;
- why we collect personal information; and
- who we give personal information to.

The applicant's personal information can only be disclosed to someone else for the primary purpose for which it was collected, unless an exemption applies.

The Australian Government may also use and disclose information about grant applicants and grant recipients under this grant opportunity in any other Australian Government business or function. This includes disclosing grant information on GrantConnect as required for reporting purposes and giving information to the Australian Taxation Office for compliance purposes.

We may share the information Eligible Applicants give the Department with other Commonwealth entities for purposes including government administration, research or service delivery, according to Australian laws.

As part of their application, the Eligible Applicant will declare its ability to comply with the *Privacy Act 1988* and the Australian Privacy Principles and impose the same privacy obligations on officers, employees, agents and subcontractors that the Eligible Applicant engages to assist with the activity, in respect of personal information the applicant collects, uses, stores, or discloses in connection with the activity. Accordingly, the Eligible Applicant must not do anything, which if done by the Department, would breach an Australian Privacy Principle as defined in the Act.

#### 13.4 Freedom of information

All documents in the possession of the Australian Government, including those about this grant opportunity, are subject to the <u>Freedom of Information Act 1982</u> (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

All Freedom of Information requests must be referred to the Department's Freedom of Information Coordinator in writing at <a href="mailto:foi@infrastructure.gov.au">foi@infrastructure.gov.au</a>

## 14. Consultation

Eligible Applicants were consulted prior to these guidelines being finalised.

# 15. Glossary

Term	Definition
12 Hour Proposed Back-up Power Upgrade	a Proposed Back-up Power Upgrade that results in the MBSP Funded Base Station having a total of 12 hours or more of auxiliary back-up power (including existing back-up power) for the remainder of its Operational Period
Assessment Criteria	are the specified principles or standards, against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive grant opportunity, to determine application rankings.
Assessment Tool	the Excel spreadsheet at Appendix B that Eligible Applicants must use to make an application. Instructions on how to complete the Assessment Tool are in the Application Pack and in the spreadsheet itself.
Decision Maker	the Minister for Communications, Cyber Safety and the Arts
Draft Merit List 1	the first ranked list of Proposed Back-up Power Upgrades included in all applications that the Department will prepare based on its assessment of applications and provide to the Decision Maker.
Draft Merit List 2	a second ranked list of Proposed Back-up Power Upgrades included in all applications that the Department may prepare (if Draft Merit List 1 has a funding cut-off) based on its assessment of applications and provide to the Decision Maker as an alternative option for achieving the Government's objectives for Stage 1.
Eligible Applicant	mobile network operators that received funding under Round 1 and/or Round 2 of the MBSP, being Optus (MBSP Round 2 only), Telstra, and TPG Telecom (formerly Vodafone Hutchison Australia).
Eligibility Criteria	refer to the mandatory criteria which must be met to qualify for a grant. Assessment criteria may apply in addition to eligibility criteria.
Commonwealth Entity	a Department of State, or a Parliamentary Department, or a listed entity or a body corporate established by a law of the Commonwealth. See subsections 10(1) and (2) of the PGPA Act

Term	Definition
Commonwealth Grants Rules and Guidelines (CGRGs)	establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.
Grant	for the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:
	<ul> <li>a. under which relevant money<sup>9</sup> or other         <u>Consolidated Revenue Fund</u> (CRF) money<sup>10</sup> is to be paid to a grantee other than the Commonwealth; and     </li> </ul>
	<ul> <li>b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.</li> </ul>
Grant Activity/Activities	refers to the project/tasks/services that the grantee is required to undertake
GrantConnect	is the Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs
Grant Opportunity	refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process.
Grant Program	a 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single [entity] Portfolio Budget Statement Program.
Grantee	the individual/organisation which has been selected to receive a grant
MBSP	the Mobile Black Spot Program
MBSP Funded Base Station	is a macro cell base station that an Eligible Applicant is contracted to deliver under Round 1 or Round 2 of the Mobile Black Spot Program.

 $<sup>^{\</sup>rm g}$  Relevant money is defined in the PGPA Act. See section 8, Dictionary.

 $<sup>^{10}</sup>$  Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

Term	Definition
New Premises	in relation to a MBSP Funded Base Station, the number of New Premises it serves is:
	<ul> <li>if Asset Completion (as defined in the relevant MBSP funding agreement) has occurred, the approximation of the number of incremental addresses with new or improved mobile phone coverage as a result of that MBSP Funded Base Station included in the Asset Completion Report (as defined in the relevant MBSP funding agreement) for that MBSP Funded Base Station, or</li> <li>if Asset Completion (as defined in the relevant MBSP funding agreement) has not occurred, the number of premises within new handheld coverage listed for that MBSP Funded Base Station in Schedule 2 of the relevant MBSP funding agreement.</li> </ul>
Operational Period	the operational period of a MBSP Funded Base Station as defined in the Eligible Applicant's MBSP Round 1 and/or Round 2 funding agreements.
PBS Program	described within the entity's Portfolio Budget Statement, PBS programs each link to a single outcome and provide transparency for funding decisions. These high-level PBS programs often comprise a number of lower level, more publicly recognised programs, some of which will be Grant Programs. A PBS Program may have more than one Grant Program associated with it, and each of these may have one or more grant opportunities.
Proposed Back-up Power Upgrade	a proposed upgrade to auxiliary back-up power arrangements for a MBSP Funded Base Station.
Selection Criteria	comprise eligibility criteria and assessment criteria.
Selection Process	the method used to select potential grantees. This process may involve comparative assessment of applications or the assessment of applications against the eligibility criteria and/or the assessment criteria.

Term	Definition
Value With Money	value with money in this document refers to 'value with relevant money' which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.
	When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:
	the quality of the project proposal and activities;
	<ul> <li>fitness for purpose of the proposal in contributing to government objectives;</li> </ul>
	<ul> <li>that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved; and</li> </ul>
	<ul> <li>the potential grantee's relevant experience and performance history.</li> </ul>

# Appendix A. Application Pack

[Attached separately]

# Appendix B. Assessment Tool

[Attached separately]