

Regional Connectivity Section
Department of Communications and the Arts
Via email: regionalconnectivity@communications.gov.au

5 September 2019

Dear Members of the Regional Connectivity Section

Regional Connectivity Program Discussion Paper

Thank you for the opportunity to provide feedback on the discussion paper to help inform the design of the Regional Connectivity Program. Local Governments across Australia acknowledge the Australian Government's commitment to investing in regional communications to maximise economic and social benefits for regional, rural and remote communities through the use of digital technologies. ALGA welcomes the investment of a further \$220 million over four years in regional communication under the Stronger Regional Connectivity Package but recognises that more will be required to ensure that Australian's living outside the major cities are future ready and have equitable access to the benefits of the knowledge economy and improved access to online services.

ALGA welcomes the place-based approach targeting bespoke solutions that will improve access to mobile and/or broadband services, provide economic opportunities and enable full participation in the digital economy for regional communities and businesses. We note that the paper tends to emphasise that targeted strategic investment will improve access to high value agricultural and tourism locations as well as the resource sector. We believe that investment should prioritise projects whose solutions address multiple needs and user groups. This will help to maximise the return on investment for the program.

In response to **Question 1** you may therefore wish to consider a project's ability to address multiple needs and maximise return on investment as an additional key element in the design of the Program.

Eligibility for applying the program should not preclude new players entering the market as long as there are appropriate accountability measures in place (**Question 2**). ALGA supports the view that local government authorities should be eligible to be the lead apply for funding and note that in a number of areas local councils have provided these services already or established companies to provide these services in their area. The ability of councils to lead applications would be particularly appropriate for an application where a council might be providing the largest financial contribution after the Commonwealth.

We note that the design principles for the program indicate that funding applications should only seek funding for telecommunications projects that have been identified as a local priority and suggest that the funding applicant needs to consult with the local government and/or relevant state or territory government to ensure that the applicant is

addressing an identified local priority. We would suggest that the applicant needs to provide evidence that this consultation has taken place and that the relevant authority supports the application. This is particularly important if the proposed solution falls under the low impact facilities determination of the *Telecommunications Act 1997*. Early consultation may help to address and resolve concerns that may arise in a community through the use of the low impact facilities determination.

It is worth noting that many local governments are already actively consulting with their local communities to develop a database of locations eligible for funding under the Mobile Blackspots Program and by extension the Stronger Regional Connectivity Package.

Regional Development Australia Committees, Business Chambers and industry groups could also be considered valuable sources of information of priority areas, taking into account that the latter two groups may not prioritise locations from a whole of community perspective but rather through a narrower lens (**question 3**). Their input should be supplementary to that of local and state/territory governments.

In relation to **question 4** regarding the ways that the Department can facilitate linkages between potential providers and local communities we believe that the potential infrastructure providers should be able to develop their own linkages with local communities either through contact with the local council or other community leaders. This would help to avoid any perception of bias which might arise if the Department is facilitating the linkages.

We note the information provided under the section on financial contributions (**question 5**) and the requirement that there is a substantial financial (cash) co-contribution to the capital costs of building or installing each Funded Solution and a cap on Commonwealth funding from any source of 50% of eligible project costs. We consider that this is appropriate for projects that will primarily have private benefit e.g. benefits that accrue to an agricultural or mining enterprise. However, for many indigenous communities and those rural and remote local governments that are reliant on Commonwealth Financial Assistance Grants to operate on a daily basis this requirement is problematic. It will exclude these groups from applying for the program. Typically, these two groups would be applying for funding for projects that provide for public benefits or benefits that accrue to a broad cross section of the community. They are also likely to be in geographic areas which the Program is seeking to target.

We note also in this section the comment that “applicants will be solely responsible for forming relationships with any relevant party”. This requirement seems contrary to question 4 which asks about the role of the department in facilitating linkages between potential providers and local communities. Finally, in this section, we note the following “State, territory and local governments may have existing infrastructure in the local area that could potentially be used for Funded Solutions. These governments may have specific requirements that will need to be identified in the applications put forward by applicants for each Proposed Solution”. This comment would benefit from further clarification.

We note under section 4 that that potential applications are advised that single site projects may be best funded through the Mobile Black Spot Program whilst more substantial projects are better funded by the Regional Connectivity Program. However, the document does not indicate whether applicants are eligible to apply to one program only or whether obtaining funds from one program precludes an applicant from obtaining funds from the other program for the same or similar project or location. This section also specifically refers to the NBN, Mobile Black Spots, Broadband and WIFI but does not include a specific reference to 5G. Will 5G solutions be eligible for funding under this program and if so, is this an opportunity to accelerate the roll out of 5G in regional areas?

Question 10 seeks advice on whether there may be particular circumstances where it may be appropriate for the Commonwealth to make some contribution to ongoing operational expenses. Consistent with our response to question 5 there is a case for contributions for ongoing operating expenses in some remote indigenous communities and Financial Assistant Grant dependent local government areas where the funded solution has public benefit. This ongoing contribution would be the equivalent of a community service obligations that already applies to Telstra for public telephones.

In relation to **Question 11** we are supportive of a third category of grants to the value of \$200,000 (GST Inclusive) for highly localised solutions. This is likely to benefit small remote communities.

As highlighted throughout our submission it is important that funded projects should maximise public benefit over private benefit. This should be included as an additional design principle (**Question 12**). Under the principles as currently stated, the economic benefit could accrue to one farming enterprise as opposed to an entire community or area.

Thank you again for the opportunity to comment on the Regional Connectivity Program discussion paper. Should you wish to discuss any aspect of our submission please do not hesitate to contact [REDACTED]. We look forward to continuing to work in partnership with the Government to address regional communication issues.

Yours sincerely

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