



Australian Government

**Department of Communications,
Information Technology and the Arts**

CLEVER NETWORKS PROGRAM GUIDELINES

OCTOBER 2006

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1 CLEVER NETWORKS PROGRAM

1.1 Introduction

On 17 August 2005, the Australian Government announced the *Connect Australia* package to give regional, rural and remote Australians access to first-class telecommunications services. *Connect Australia* is a \$1.1 billion roll-out of affordable and sustainable broadband, new regional clever networks, mobile services and Indigenous broadcasting and telecommunications.

1.2 Clever Networks

The Clever Networks program, part of the *Connect Australia* package, is a catalyst to harness the extensive capabilities of broadband. It will deliver innovative broadband services to communities in regional, rural and remote Australia.

The objective of the program is to fund broadband applications and leverage broadband infrastructure to foster innovative service delivery for communities. Broadband development activities will complement the delivery of these services by assisting communities to enhance their understanding and use of broadband.

Delivering innovative broadband services to Australian communities will encourage economic growth, increase productivity, foster innovation and increase quality of life.

The Clever Networks program seeks to achieve the following additional objectives for sectors such as health, education, community and emergency services by:

- identifying priority areas for the improved delivery of services through broadband;
- supporting applications and high bandwidth networks that promote innovative use of broadband technologies;
- leveraging investment in broadband services by governments, the private sector and local communities;
- assisting communities to achieve improved broadband service outcomes including affordable pricing arrangements, greater choice and improved access; and
- building capability and promoting awareness within businesses, governments and communities to maximise the benefits of broadband.

The program has two elements:

- the **Innovative Services Delivery** element, which will co-fund projects to support the delivery of improved services in sectors such as health, education, government, community and/or emergency services, such as interactive remote education or real time medical diagnosis¹; and
- the **Broadband Development** element, which will co-fund the engagement of Project Managers (for each state/territory) and Project Officers (for specific projects). The outcomes of the Broadband Development element will help improve skills and capabilities, enhance business practices and aggregate demand in under-served communities. Broadband Project Managers and Broadband Project Officers

¹ Applicants should note that this paragraph was amended on 30 October 2006.

will work with and for regional communities to enhance understanding, use of and access to broadband.

The Clever Networks guidelines provide interested parties with information in relation to the purpose, funding, timing, eligibility and assessment, and selection processes for Clever Networks. Details on how to lodge a project proposal are also included. The guidelines have been developed following extensive consultation with stakeholders.

The program has funding for four years from July 2006, with \$100 million available for projects funded under the two program elements.

1.3 Connect Australia

In addition to the Clever Networks program, *Connect Australia* includes:

- \$878 million for Broadband Connect to give regional Australians access to affordable broadband services;
- \$30 million for Mobile Connect to extend terrestrial mobile coverage to areas where coverage can be commercially maintained and to continue providing satellite handset subsidies in other areas; and
- \$90 million for Backing Indigenous Ability to deliver a comprehensive package supporting enhanced telecommunications in remote Indigenous communities and improved Indigenous radio and television.

Connect Australia components will be administered as separate programs, with their own guidelines and assessment processes. However, the Australian Government intends that the four programs will act in synergy to generate outcomes that are effective, consistent and strategic.

1.4 Areas of focus for Clever Networks

Under the Clever Networks program, regional, rural and remote areas include all of Australia except capital cities and adjacent major urban areas. Projects will be expected to deliver services predominantly in regional, rural and remote areas. Projects which are primarily aimed at servicing regional, rural and remote area(s) but involve essential links with a capital city may also seek funding under the Clever Networks program.

1.5 Broadband Blueprint

On Monday 15 May 2006, the Minister for Communications, Information Technology and the Arts, the Hon. Senator Helen Coonan announced the development of a Broadband Blueprint – “a national framework for the roll-out of next generation infrastructure for Australia both by governments and by the private sector”.

The Broadband Blueprint will:

- promote competition and competitive investment in broadband;
- address market imperfections through targeted government support;
- promote the effective use and take-up of broadband; and
- address other barriers to the effective roll-out of broadband.

Within the framework of the Broadband Blueprint, and where possible, the Australian Government will work with other levels of government to maximise the impact of investment by all jurisdictions.

Clever Networks will be a key component of the Australian Government's efforts to rollout the next generation of broadband infrastructure for Australia.

1.6 Further assistance

Definitions for terms used in these guidelines can be found at **Attachment G**.

Questions about the program can be directed to the DCITA Clever Networks contact officer by:

Tel: 02 6271 1023

Fax: 02 6271 1780

Email: clevernetworks@dcita.gov.au

All information on the Clever Networks program (including the Submission Pack) can be found at www.dcita.gov.au/clevernetworks

NOTE: Parties interested in the Clever Networks program should only rely on program information obtained from DCITA.

2 INNOVATIVE SERVICES DELIVERY

2.1 Purpose

The Innovative Services Delivery element of Clever Networks will co-fund projects that aid the delivery of improved services in sectors such as health, education, government, community and emergency services². One of the consequential benefits of this element may be the increased availability of broadband capacity for communities in regional rural and remote areas. Funding will be provided for projects which complement, not duplicate, other broadband and regional telecommunications initiatives such as those funded under Broadband Connect.

Connect Australia – project example

An Innovative Services Delivery project within the Clever Networks program might provide the broadband link between a hospital and a diagnostic centre, as well as associated software, to assist the rapid, online analysis of high bandwidth applications such as imaging. The capacity of the link could be enhanced by connecting this local network to a national Broadband Connect backbone.

Examples of innovative services that could be progressed through funded projects include:

- enabling students in primary schools to access multimedia learning tools;
- providing applications to enable a rural hospital to access obstetrics advice in an emergency; and
- enabling emergency services to obtain up-to-the-minute weather forecasts during a bushfire.

Projects may need funding for the following types of expenditure:

- application software that will enable tailored and innovative services delivery;
- establishing new network infrastructure and/or enhancing the capabilities of existing network infrastructure;
- network engineering and design to ensure an efficient and effective network;
- infrastructure that connects communities to existing backhaul infrastructure;
- network operating systems that ensure traffic is managed over the network;
- costs associated with the introduction of innovative applications; and
- capital equipment such as servers, network hubs and connectivity elements.

No single technology will be favoured.

Where a project involves the creation of new infrastructure, proposals are required to include an offer to provide fair and equitable access to the infrastructure, unless it can be shown that allowing such access would be inappropriate in the particular circumstances. Depending on the nature of the services to be delivered by a project, proposers may be required to offer those services on a wholesale basis in a fair and

² Applicants should note this paragraph was amended on 30 October 2006.

equitable manner, to facilitate the provision of comparable services on a retail basis by an access seeker.

2.2 Funding

The indicative range of Australian Government funding that may be provided for a project under the Innovative Services Delivery element is in the range of \$500 000 to \$5 million.

Innovative Services Delivery project proposals **must** include contributions from sources other than the Australian Government that at least match the Clever Networks funding. For the purpose of this requirement, funding from organisations that are primarily funded by the Australian Government will be treated as Australian Government funding.³

Funding will only be provided to high quality projects that require initial start-up funding to be implemented. Proposals will be expected to provide a clear strategy to ensure ongoing financial viability. Funding will not be provided for ongoing expenditure costs such as maintenance, training and staff.

2.3 Timing

The initial competitive funding round begins on 31 August 2006. Proposers must submit project proposals between 9.00am (AEST) Monday 27 November 2006 and 5.00pm (AEST) Monday 18 December 2006. Successful proposers will be notified in early 2007⁴.

Further funding rounds may be held as announced by DCITA. DCITA reserves the right to amend these guidelines (or develop specific guidelines and/or application processes) to reflect the aims and desired outcomes of any future funding rounds.

It is anticipated that at least one future funding round would leverage the outcomes of the Broadband Connect Infrastructure program if the Australian Government decides to implement the approach outlined in the recent Request for Expressions of Interest. This funding round would specifically support projects that use or extend infrastructure to be deployed with funding under the Broadband Connect Infrastructure program.

Parties interested in the Clever Networks program should rely only on program information that is obtained from DCITA.

While the Clever Networks program will run until 30 June 2010, projects funded under the Innovative Services Delivery element must be completed before 31 December 2009 to allow time for auditing and the final program evaluation. Successful proposers will be required to execute a Funding Agreement with DCITA. A requirement of the Funding Agreement will be that the relevant services delivered by the project continues to be provided, and the infrastructure funded remains available to do so, for a period of at least five years after Clever Networks funding ceases.

³ Applicants should note this paragraph was amended on 30 October 2006.

⁴ Applicants should note that the closing date for applications was extended to 18 December 2006 on 30 October 2006.

2.4 Eligibility

Project proposals may be made by incorporated entities or state and territory governments in their own right.

Project proposals may be made by consortia that could include the following entities:

- state, territory and local governments;
- telecommunications carriers, service providers or other companies;
- not-for-profit organisations; and
- essential services providers such as emergency services.

Individuals, Australian Government departments cannot apply for funding in their own right. Australian Government departments and organisations primarily funded by the Australian Government can be members of a consortium seeking funding⁵.

Where a consortium seeks funding, its members must nominate a single member organisation to act as an agent in all their dealings with DCITA (the 'lead project proposer'). That organisation must have the authority to discuss and agree on all aspects of the proposal with DCITA. It is also expected that this organisation will execute the Funding Agreement with DCITA if successful in the selection process. Australian Government departments cannot act as the lead project proposer.

When seeking funding, project proposers are required to provide a statement of compliance (see Submission Pack) affirming that they will comply with the draft Funding Agreement at **Attachment H**.

2.5 Assessment and selection

DCITA staff will conduct an initial assessment of the project proposals taking into account eligibility and merit against the selection criteria at **Attachment A**.

DCITA may exclude from further consideration those proposals which:

- do not meet the eligibility requirements;
- do not address the selection criteria in a substantive manner; or
- are otherwise uncompetitive with other proposals when assessed against the selection criteria.

The *Connect Australia* programs are a central feature in the Broadband Blueprint and it is expected that the implementation of the programs will be guided by the framework.

Summaries of Innovative Services Delivery proposals deemed eligible and competitive by DCITA will be provided to an Advisory Group that will provide DCITA with comments on the strengths and weaknesses of the proposals, as well as comments on any linkages that may exist with other relevant state/territory initiatives.

This Advisory Group will include representatives from state/territory government agencies among others. Members of the Advisory Group will be required to sign deeds

⁵ Applicants should note this paragraph was amended on 30 October 2006.

of non-disclosure before receiving the project summaries. Each member will also have to declare any interest that they, their agency or their respective state or territory may have in any Clever Networks proposals before they provide comments on the proposals. Members of the Advisory Group will not be permitted to consider or comment on proposals in which they have an interest.

DCITA will conduct a detailed assessment of the proposals against the selection criteria, taking into account the comments provided by the Advisory Group and advice from:

- other Australian Government agencies;
- business and technical advisers;
- legal advisers; and
- the probity adviser.

Where a consortium is seeking funding, all members must contribute resources to the project specified in the project proposal.

Project proposers whose proposals are ranked highly in the assessment process may be required to attend an interview with DCITA. Advisory Group members will not be able to attend any such interviews on behalf of project proposers.

In finalising its recommendations, DCITA will take into account the merits of the proposals against the selection criteria and the program objectives. The final assessment of the Innovative Services Delivery proposals by DCITA will be submitted to the Minister for Communications, Information Technology and the Arts for consideration.

2.6 Lodgement of project proposals

Proposals can only be submitted between 9:00am (AEST) Monday 27 November 2006 and 5.00pm (AEST) Monday 18 December 2006. DCITA will not accept project proposals that are submitted before this time or after the nominated deadline of 5.00pm (AEST) Monday 18 December 2006⁶.

Project proposers will not be able to introduce new information after the deadline for receipt of proposals, however DCITA may, but is not obliged to, approach proposers to seek clarification of certain elements of their proposals.

Further details on how to lodge project proposals can be found in the *Clever Networks – Innovative Services Delivery Submission Pack* which is available from www.dcita.gov.au/clevernetworks or by phoning the DCITA contact officer on 02 6271 1023.

⁶ Applicants should note that the closing date for applications was extended to 18 December 2006 on 30 October 2006.

3 BROADBAND DEVELOPMENT

3.1 Introduction

The Broadband Development element of Clever Networks will fund a network of Broadband Project Managers and Broadband Project Officers across Australia. These individuals, and the organisations that employ them, will work with and for regional communities to, among other things, enhance understanding, access to and use of broadband. The Broadband Development element will be implemented on two levels.

First, a network of Broadband Project Managers will be appointed. These positions will be based with, and co-funded by, state or territory governments. Proposals that comply with the selection process outlined below will receive funding for a Broadband Project Manager.

Secondly, a network of Broadband Project Officers will be funded to focus on specific Broadband Development Projects that are identified as being priorities by DCITA. It is expected that the Broadband Project Officers will be engaged for shorter periods than the Broadband Project Managers, and be focused on specific activities relating to the priority projects.

3.1.1 Linkages to *Connect Australia*

It will be essential that Broadband Project Managers and Officers are aware of, and facilitate an understanding of, all *Connect Australia* programs. For instance:

- The Broadband Connect and Mobile Connect programs will provide infrastructure opportunities for Clever Networks projects to build on and utilise.
- The Backing Indigenous Ability program has an element called Regional Agents. The objective of the element is to improve the availability and use of telecommunications services within Indigenous communities by providing a resource to identify areas of need, assist communities through the application process and assist in demand aggregation activities. Individuals who are selected to be Broadband Project Managers will not be eligible to be Regional Agents and vice versa. Broadband Project Managers and Regional Agents will be required to cooperate and share information with each other as appropriate.

The Broadband Project Managers and Officers will need to focus on the potential for the full *Connect Australia* package to address the needs of their community.

3.2 Broadband Project Managers

The Broadband Project Managers will respond to the overall needs of their jurisdiction. They will be responsible for identifying areas of strategic priority for broadband development within their state or territory.

In relation to the wider Clever Networks program, they may help to identify suitable projects where a Broadband Project Officer could be appointed. They may also help to develop projects suitable for funding under the Innovative Services Delivery element of the program or contribute to jurisdictional input into other *Connect Australia* programs. To fulfil this role, Broadband Project Managers will be required to report regularly to DCITA.

They are also expected to engage with Broadband Project Officers and eligible organisations considering applying for Clever Networks funding. Where appropriate, Broadband Project Managers will also work to ensure program outcomes across state or territory borders are given due consideration.

3.2.1 Activities of Broadband Project Managers

While the activities of Broadband Project Managers will depend upon the outcome of the selection process outlined in this document (including the needs and priorities of the relevant state or territory government with which a Broadband Project Manager will be based), they may include:

- identifying and documenting priority areas and opportunities for new and /or improved broadband services;
- identifying and facilitating linkages between relevant Australian Government, state/territory government and private sector broadband programs;
- consulting with DCITA and state/territory government portfolios and other stakeholders on an ongoing basis;
- supporting broadband infrastructure and network rollout;
- liaising with DCITA and the overall network of Broadband Project Managers and Broadband Project Officers and assisting in their activities where required;
- assisting communities and sectors to develop skills and capabilities to realise the social and economic benefits broadband can provide;
- encouraging local and/or regional organisations, sectors and businesses (who have significant demand) to adopt strategies that enable the provision of broadband to the wider community;
- working with service providers, local authorities and service utilities to facilitate the use of existing infrastructure for the deployment of broadband;
- assisting communities and geographic regions to develop strategies to negotiate with telecommunications suppliers to facilitate the deployment of new networks;
- assisting state/territory governments, local governments and/or regional community or regional organisations to develop proposals for funding under government broadband programs; and
- sharing information and resources with DCITA and other Broadband Project Managers, Broadband Project Officers, Regional Agents and other relevant stakeholders, with the aim of further facilitating the deployment and effective use of broadband infrastructure.

3.2.2 Eligibility

Funding to employ and support the activities of a Broadband Project Manager is only available to state/territory governments.

The role of Broadband Project Managers may be tailored, with the agreement of DCITA, to suit the particular needs of the respective state/territory government.

3.2.3 Approach

The state/territory government will be responsible for developing an Activity Plan for the Broadband Project Manager, which will need to be approved by the Australian Government. This plan will manage the Broadband Project Manager's day-to-day activities.

The Australian Government, through DCITA, will then enter into an agreement with each state/territory government that will specify arrangements for the selection and management of each Broadband Project Manager. These agreements will at a minimum:

- require the state/territory government to develop an Activity Plan for the Broadband Project Manager;
- identify the arrangements for engaging the Broadband Project Manager;
- identify funding to be committed by each government to engage and support the Broadband Project Manager;
- identify milestones, and payment schedules;
- identify reporting and auditing obligations; and
- specify the roles and obligations of each agency under the agreement.

Each Broadband Project Manager will be selected through a mutually agreed selection process involving the Australian Government and the relevant state/territory government.

Each state/territory government will then engage the selected individual, either as a contractor or as an employee of the state/territory government.

The recruitment and administrative arrangements for the Broadband Project Managers are detailed at **Attachments B and C**.

3.2.4 Funding

The Australian Government and state/territory government will jointly finance the Broadband Project Manager position, including salary and related expenses.

The Australian Government will contribute up to \$100 000 per annum towards all costs associated with each Broadband Project Manager position. State/territory governments will at least match the funding provided by the Australian Government. Where the agreed total cost of engaging a Broadband Project Manager in a state/territory is less than \$200 000 per annum, the Australian Government and the state/territory government will equally share the costs. Where the agreed total cost of employing a Broadband Project Manager is more than \$200 000 per annum, the Australian Government will contribute \$100 000 and the state/territory government will fund all additional costs.

3.2.5 Timing

The Broadband Development program finishes on 30 June 2010. Funding to engage and support the activities of Broadband Project Managers is available only until 31 March 2010. This is to allow time for the Broadband Development program to be completed and evaluated prior to its expiry date.

3.3 Broadband Project Officers

Broadband Project Officers will work with and for regional communities to enhance understanding, access to and use of broadband in respect of Priority Broadband Development Projects. The Australian Government will provide funding to eligible organisations to employ and support Broadband Project Officers for up to two years to implement agreed Activity Plans.

3.3.1 Selection process

In June 2006, each state and territory government was invited to submit to DCITA a list of priority broadband projects for their jurisdiction. They were asked to explain how these projects could be progressed through the activities of a Broadband Project Officer and also to nominate the most appropriate organisation to host the activities of a Broadband Project Officer.

When DCITA receives a complete set of state and territory priority proposals, it will use this information to compile a list of Priority Broadband Development Projects. DCITA will then request each organisation that has been nominated to host a Broadband Project Officer to lodge a fully developed proposal, including a complete draft Activity Plan, together with final information in respect of each of the matters listed in **Attachment D**. The Activity Plan would be implemented by the organisation, principally through the work of the Broadband Project Officer, over the term of their engagement.

DCITA will then complete a detailed assessment of this proposal using the process and selection criteria detailed at **Attachment D**. A recommendation as to whether funding, should be provided for the engagement and support of a Broadband Project Officer in respect of a Priority Broadband Development Project will then be made to a DCITA officer nominated by the Minister for Communications, Information Technology and the Arts for consideration.

Once approval is given that funding should be provided, DCITA will enter into a Funding Agreement with the relevant eligible organisation. That agreement will contain arrangements for the engagement and support of a Broadband Project Officer. It will be a condition of funding that DCITA approve the individual appointed and their Activity Plan.

When the list of Priority Broadband Development Projects from the states and territories has been exhausted (and if funds are still available) DCITA may consider alternate mechanisms for the selection of further Broadband Project Officers. This might include a competitive funding round or the direct identification of priority projects by DCITA through, for instance, project proposals that are received through the Innovative Services Delivery element. The Australian Government reserves the right to amend these guidelines to reflect the aims and desired outcomes of future funding rounds or methods of recruitment.

3.3.2 Activities of Broadband Project Officers

The Broadband Project Officers will be employed by selected eligible organisations to implement an Activity Plan. The focus of activities for Project Officers is expected to vary based on the differing needs of jurisdictions. For example, in a remote area that lacks broadband infrastructure, the focus of the activity may be on tasks that support the deployment of infrastructure.

This may involve developing business cases for investing in new networks and liaising with community groups and service providers to achieve outcomes. Conversely, in regional areas, the focus of an Activity Plan may be the improved usage of existing infrastructure. This may involve identifying service needs or helping communities develop the skills to take advantage of existing infrastructure.

In broad terms, the activities of Broadband Project Officers may include:

- identifying and documenting priority areas and opportunities for new and /or improved broadband services;
- supporting broadband infrastructure and network roll-out;
- assisting communities and sectors to develop skills and capabilities to realise the social and economic benefits broadband can provide;
- encouraging local and/or regional organisations and businesses who have significant demand to adopt strategies that enable the provision of broadband to the wider community;
- working with service providers, local authorities and service utilities to facilitate the use of existing infrastructure (e.g. towers) for the deployment of broadband;
- assisting communities and geographic regions to develop demand aggregation strategies, including supporting potential buyers in negotiations with telecommunications suppliers; and
- sharing information and resources with other Broadband Project Officers and, where necessary, Regional Agents with the aim of further facilitating the deployment of broadband infrastructure and encouraging effective use.

3.3.3 Eligibility to employ a Broadband Project Officer

Organisations eligible to receive funding to employ and support the activities of a Broadband Project Officer include, but are not limited to:

- community organisations;
- regional technology centres;
- not-for-profit organisations;
- Area Consultative Committees;
- regional development authorities/organisations;
- local education and health service providers;
- state, territory or local governments; and
- other local associations.

Eligible organisations must be legal entities capable of entering into contractual arrangements with the Australian Government and must have demonstrated links with, and represent, the interests of the region, sector or community they will be working with.

Individuals or organisations that primarily operate for profit may not apply for funding to support a Broadband Project Officer.

3.3.4 Funding

Funding of between \$50 000 and \$200 000 is available to employ and support the activities of each Broadband Project Officer.

The Australian Government will provide funding to eligible organisations to employ and support Broadband Project Officers to assist with developing and implementing a specified Priority Broadband Development Project.

The Australian Government, through DCITA, will enter into a Funding Agreement with each eligible organisation approved for funding. This Funding Agreement will specify arrangements for the selection and management of each Broadband Project Officer.

The eligible organisation will then engage and support the Broadband Project Officer. The selected Broadband Project Officer must be approved by the Australian Government before their engagement.

The eligible organisation will manage the Broadband Project Officer's day-to-day activities and be responsible for ensuring the implementation of the Broadband Project Officer's Activity Plan.

3.3.5 Timing

The Broadband Development program finishes on 30 June 2010. Funding to engage and support the activities of Broadband Project Officers is only available to 31 March 2010. This is to allow time for the Broadband Development program to be completed and evaluated.

Broadband Project Officers will be funded on a per project basis for a period expected to be no longer than two years. DCITA maintains the discretion to fund projects outside this time range.

INNOVATIVE SERVICES DELIVERY SELECTION CRITERIA

Project proposers for the Innovative Services Delivery element must address all parts of each selection criterion. The selection criteria are weighted equally.

Selection criterion 1: The benefits and outcomes of the project in terms of improvements it will make to the delivery of innovative services to regional, rural and remote communities

Proposers will need to identify how their project will improve broadband services in the targeted region(s). To assist the assessment process, these benefits and outcomes should be as tangible and as quantifiable as possible. In identifying the benefits and outcomes of the improvements to the delivery of services to the region(s), proposers should discuss:

- how the project will improve the innovative delivery or use of broadband services in the priority areas of health, education, government, community and/or emergency services in the targeted communities;
- the likely impact on the communities as a result of the improved services, including possible regional development implications; and
- any other associated benefits, such as improved communications for Indigenous communities.

Selection criterion 2: The nature, range, quality and innovative aspect of the applications and/or infrastructure that will be delivered by the project

Proposers should clearly describe the broadband services to be provided by the project. The description should include:

- the telecommunications technology or technologies to be used (including the extent to which the project involves innovative technology);
- the extent to which the project is scalable and adaptable to technological developments;
- the upgrade path for the technology deployed; and
- the service and/or quality standards that will be met.

Where relevant applications must demonstrate that:

- the proposed technology elements conform to all relevant national and international technical standards;
- the proposed technology solution is sufficiently tested, proven and well-established to indicate with a high degree of certainty that it will perform effectively and reliably;
- the proposed technology solution is well supported by relevant vendors and suppliers;
- the proposed network architecture includes an adequate provision for redundancy;

- the proposal includes an effective strategy for maintenance of the network;
- the proposed technology solution has an identified future upgrade path, such that it is likely that higher capacity broadband services could be provided in the future;
- the proposed technology solution can be implemented in a timely manner, including meeting planning and regulatory requirements and processes; and
- the proposed technology solution is interoperable with other public networks.

Where relevant, proposals should also outline the applications/content that will be delivered across the proposed infrastructure and how these will improve services in the identified sectors.

Proposals should examine:

- the innovative nature of the application(s) and/or content;
- the relevance of the application(s) and/or content to the overall project; and
- why the application(s) and/or content is necessary to the overall success of the project.

Selection criterion 3: The nature and level of demand for the services to be delivered and the rationale for why this demand should be addressed by the project

Proposers will need to indicate the initial level of demand for the proposed project, how that demand was assessed and how the demand is expected to change over time.

Proposers should:

- describe the region(s) where the project services are to be delivered, including any local factors relevant to service delivery in the region(s);
- specify the likely actual and potential users of the project (including types and numbers of users that will be able to access the services, how they will access the services and the conditions they will be required to meet, and whether the users have indicated they will use the services on the terms and conditions set);
- specify the particular user requirements addressed by the project; and
- specify why such services are currently not being provided, and are unlikely to be provided, in the targeted communities in the near future without funding.

Selection criterion 4: How the project will deliver a wider community benefit

Project proposals should address how the project will provide a benefit to parties beyond the identified sectors. This includes:

- the extent to which the project will provide broadband services to entities outside of health, education and government sectors, including small to medium enterprises (SMEs), not-for-profit organisations and household consumers; and
- how the project would improve the effective use of technology within the community through an innovative application.

Proposers should also detail how the project will contribute to the development of Australian Information and Communications Technology (ICT) capabilities, and should detail the participation by Australian ICT businesses in the project and the benefits they will receive.

Selection criterion 5: Access obligations

Where a project involves the creation of new infrastructure, proposals are required to include an offer to provide fair and equitable access to the infrastructure, unless it can be shown that allowing such access would be inappropriate in the particular circumstances.

Depending on the nature of the infrastructure and/or services to be delivered by a project, proposers may be required to:

- provide access to the infrastructure/facilities; and/or
- offer those services on a wholesale basis in a fair and equitable manner, to facilitate the provision of comparable services on a retail basis by an access seeker (wholesale access to services).

Proposals should state whether access is offered and, where access is offered, the proposal should provide details of the terms and conditions on which access would be provided. Terms and conditions should address both price and non-price terms and conditions (including service quality, where applicable), and access is to be offered on a transparent and equivalent basis to all access seekers. Price terms and conditions may refer to actual proposed wholesale prices (adjusted over time) or a pricing methodology.

Where the relevant new broadband infrastructure or service would be covered by statutory access obligations, proposals should demonstrate an understanding of those requirements and a commitment to meeting the relevant statutory obligations. Proposed terms and conditions must be consistent with those obligations.

Where a proposal is not offering access, the proposal should state the reasons why the proposer does not believe why a contractual access obligation would be appropriate in the relevant circumstances (for example, in relation to a service, there may be no retail demand for the relevant service).

Access obligations will be included in the Funding Agreement with the Australian Government. The obligations will include a requirement to offer and participate in binding arbitration, in respect of any dispute that may arise with access seekers, including disputes where agreement cannot be reached on the terms and conditions on which access will be provided.

The arbitration would be conducted by an arbitrator selected by the access seeker from a panel established by the proposer (and other project partners, where applicable) and approved by DCITA. Provision will be made for the arbitrator to seek the advice of DCITA in relation to any aspect of the dispute which appeared to involve an issue of compliance with the Funding Agreement. Participation in the arbitration process would not be compulsory for access seekers and would not preclude an access seeker from exercising any other available legal right.

Where the proposed project would involve a telecommunications carrier or service provider installing and owning infrastructure and/or providing services to which access obligations would apply, proposers should demonstrate how they would ensure that access obligations would be complied with and DCITA may require that such a carrier or provider is a party to the Funding Agreement in respect of the access obligations.

Selection criterion 6: The extent to which the services delivered by the project are new and additional, including the degree to which the project complements, rather than duplicates, other broadband and regional telecommunications initiatives

Proposers should indicate the degree to which the project complements, rather than duplicates, national or state and territory broadband strategies and directions in sectors such as health, education, government, community and/or emergency services, and complements regional telecommunications initiatives.

Proposers should indicate how their proposal could complement other elements of the *Connect Australia* package.

Selection criterion 7: The quality of the project plan and risk management plan

Proposers should provide a comprehensive description of the implementation plan for the project. This strategy should contain (as appropriate) the:

- proposed technology or technologies and bandwidth, and capacity of the proposed technological solution to meet the project requirements;
- proposed network topology, protocols and architecture;
- details of project services, including strategy or strategies for ensuring services adhere to any relevant industry standards;
- deployment plan outlining the timetable for each stage of the project;
- approach to dealing with issues such as network security and relevant Australian legislation and/or regulation including compliance with the *Telecommunications Act 1997* and the *Telecommunications (Consumer Protection and Service Standards) Act 1999*; and
- performance indicators and milestones for the project.

The project plan should identify possible risks to implementation and delivery of the project and the strategies for dealing with these risks.

Proposers must demonstrate that the project will be fully implemented before 31 December 2009, so that auditing and the final program evaluation can take place.

Selection criterion 8: The degree to which the project is sustainable after Innovative Services Delivery funding ceases

In addressing this criterion, proposers should provide their longer term strategy for the project, including:

- how the proposer will achieve the project's long-term sustainability after the Innovative Services Delivery funding ceases (including projected ongoing operation and maintenance costs and how such costs will be met);
- the marketing strategy for the project;
- the financial plan for the project after Innovative Services Delivery funding ends; and
- the strategy for developing and upgrading the project.

Selection criterion 9: Organisational structure and management including:

(a) the nature and range of organisations involved in the project and how the organisations will work together to deliver outcomes

Proposers should provide details of each organisation/key individual involved in the project. They should also clearly and succinctly specify the roles and responsibilities of these organisations and individuals in the project, how each organisation/key individual will contribute to the project outcomes and how their roles and responsibilities will interact.

Proposers should provide an outline of the proposed organisational, decision making and reporting arrangements required to achieve the objective(s) of the project. Please include a diagram (refer to Submission Pack for details) showing the proposed organisational structure. Proposers must specify the entity that will receive Innovative Services Delivery funding and explain if the project will be managed as a commercial operation or on some other basis.

Proposers should outline the role each project partner has in establishing, maintaining and contributing to the project. These roles could include:

- delivering or receiving education, health, government and/or other services;
- providing, installing and/or managing project infrastructure or services; and/or
- providing content and/or applications to be delivered through the project.

Proposers should provide evidence (that is, copies of agreements) of any linkages already established with other relevant organisations and individuals. Where linkages are yet to be finalised, please provide details of the nature and status of negotiations to establish such linkages, and contact names and details.

(b) the level of management expertise available to implement and manage the project

Proposals should demonstrate that the implementation and ongoing management of the project will be carried out by a management team with the appropriate combination of skills, expertise and experience.

While both managerial and technical skills and expertise will be required to establish projects, the following range of skills and/or experience would be considered highly desirable depending on the nature of the project:

- demonstrated project management skills, particularly experience in implementing large scale projects;
- demonstrated experience in managing telecommunications networks and/or the provision of applications or services (as applicable);
- demonstrated skills and experience in the operational issues of the specific services and/or sectors targeted by the project;
- demonstrated experience in the financial management of large scale projects;
- knowledge of regional telecommunications issues; and
- high level interpersonal skills.

The skills required for the implementation and ongoing management of the project may differ; the proposal must demonstrate how both facets will be managed.

Where possible, proposals should identify key members of the project management team, and include a brief *curriculum vitae* (see Submission Pack for details) for each key member.

Where the project is co-located with an existing organisation and the manager and/or management team are shared, the proposal must make clear the percentage of time that the manager or management team will devote to the development and management of the Innovative Services Delivery project.

Selection criterion 10: Past performance

Proposers should provide details of up to 10 recent major projects, undertaken under contract within the last seven years. The examples provided should, where possible, be of a similar nature to the project proposed and demonstrate the ability to deliver on time and on budget, working collaboratively and effectively (with consortium partners where applicable) in an efficient manner.

Where the proposer is a consortium, details should be provided for each member of the consortium. Details of projects where consortium members have worked together previously will be considered relevant.

The proposal should include the following details for each project:

- the dollar value of the project;
- the contract date;
- a description of the nature of the project;
- a description of the service provided, or contribution made, by the relevant entity to the project;
- whether the entity was engaged as the prime contractor or a subcontractor;
- an outline of performance under the project contract(s) (including milestones, budget and key performance indicators (KPIs), as applicable);
- the manner in which the project was funded;
- at least one referee, which should include the counter-party to the project contract(s), including an explicit authority for the Australian Government to approach those individuals/organisations and be provided with full and frank information regarding project performance.

Where the relevant project included funding from any level of government, the following details must also be supplied:

- contract title and number;
- contract (or project) name and number and relevant agency (if not DCITA);
- contact details for at least one referee, which should include the project manager from the relevant agency, including an explicit authority for the Australian Government to approach those individuals/organisations and be provided with full and frank information regarding project performance.

Proposers may include additional information on past performance that is relevant in demonstrating the ability to perform the proposed project. The Australian Government may consider such information at its sole discretion.

The Australian Government does not limit its ability or authority to contact only nominated organisations/individuals, and may conduct its own due diligence in respect of the past performance of the proposer (and consortium members). The Australian Government will accept such information as may be provided (from nominated referees or otherwise) which is reasonably relevant to determining the capability, capacity and attitude of an organisation to committing to and delivering results in major projects.

Proposals from organisations or consortia that did not satisfactorily acquit previous Australian Government funding in accordance with contractual agreements will not be considered.

Selection criterion 11: The viability of the financial plan for the project, and the level of funding from sources other than the Australian Government, including:

a) the viability of the financial plan for the project

Proposals must include a financial plan which outlines the financial strategy for the project. This should contain:

- the total budget for the project (see Submission Pack for template), including the proposed project cash flow, expenditure and income;
- a clear statement of all funding sources (including private sector, Australian Government, state and/or territory government and/or local government);
- an explanation as to why the project is not viable without the Australian Government funding sought and why that funding would provide additional benefits or, where a part or parts of the project are commercially viable, the proposal should explain how Clever Networks funding would deliver additional service;
- a clear statement of all cash and in-kind contributions being made by the project proposer and/or other members of the consortium (if applicable);
- a proposed year-by-year breakdown of total funding during the period of the Innovative Services Delivery element, and projections beyond that period; and
- any key assumptions on which the financial plan relies.

b) the proportion of project funding derived from sources other than the Australian Government

Proposers will be required to demonstrate they will match or better the Innovative Services Delivery funding from sources other than the Australian Government. Such other contributions could be staged over the life of the project and could include funding for recurrent costs after the Innovative Services Delivery funding ceases.

Where a consortium is seeking funding, all members of the consortium must make a contribution to the project.

Proposers should specify the contributions they are proposing to make, and compare the contributions with the Innovative Services Delivery funding they are seeking.

Contributions may be a combination of cash and in-kind. Any in-kind contributions should be valued and the valuation method specified. The Australian Government expects that in-kind labour contributions by project team members will be valued using realistic market-based rates.

If proposers seek to use existing infrastructure or facilities, they cannot claim past contributions towards establishing that infrastructure or facilities as a contribution for the purposes of seeking Clever Networks funding. However, to the extent relevant and only for the duration of the Funding Agreement with DCITA, proposers may claim the revenue that they may be foregoing by making capacity available for the purposes of a Clever Networks project. In this situation proposers must demonstrate that there was likely to have been commercial demand for the capacity.

Please note in-kind contributions must be valued at credible market-based rates. Inflated estimates of the value of in-kind contributions will limit the credibility and competitiveness of any proposal making such claims

Proposals should specify the precise nature and value of contributions to be provided by each organisation and individual. Contributions from organisations other than the proposer should be evidenced and confirmed in letters of commitment included with the proposal (see Submission Pack for template).

Proposals should also outline whether the project proposer has received, submitted, or intends to submit, a request for funding for the project from another Australian Government or state and/or territory government initiative.

Proposals should not request Australian Government funding for activities that would normally be funded by state and territory governments. Proposals that involve a risk of cost-shifting between levels of government will not be favoured.

BROADBAND DEVELOPMENT PROGRAM – RECRUITMENT OF BROADBAND PROJECT MANAGERS

Selection process

The selection of Broadband Project Managers will be undertaken by the relevant state/territory government against agreed selection criteria, in consultation and collaboration with DCITA.

The method to select the Broadband Project Manager will be agreed by DCITA and each state/territory government before the Funding Agreement will be executed. This could include direct engagement, an expression of interest process, or a public call for applications (see below).

The Australian Government and the state/territory government will jointly develop an application information pack for the Broadband Project Manager position. The pack will include, but not be limited to, information about:

- the role of the Broadband Project Manager;
- the remuneration package;
- the selection criteria (see **Attachment C**);
- current Australian Government broadband policy initiatives; and
- state or territory telecommunication policy initiatives.

Direct engagement

Where the state/territory government wishes to directly engage the Broadband Project Manager it will be required to provide DCITA with:

- a letter proposing the nominated person's appointment to the position;
- a statement addressing the nominated person's claims against the agreed selection criteria;
- the nominated person's *curriculum vitae*; and
- the name and contact details of two referees.

A background check may be undertaken by DCITA as part of the assessment process to determine the good character and business reputation of the nominee. This could involve, at a minimum, a police check.

DCITA will prepare a report, detailing the information provided, comments from the nominated referees and the background check (where necessary), for consideration by a DCITA officer nominated by the Minister for Communications, Information Technology and the Arts. The state/territory government will be advised of the outcome without delay.

Expression of interest (or similar) process

Where the state/territory government uses an expression of interest process to select the Broadband Project Manager it will be required to:

- advertise the position in accordance with state/territory government procedures;
- assess the applications in accordance with the agreed selection criteria;
- speak to referees (if necessary);
- conduct interviews (if necessary); and
- prepare an assessment report.

The state/territory government will be required to advise DCITA, in writing, of the outcome of the expression of interest process, including details of the recommended candidate. A copy of the assessment report should also be included.

A background check may be undertaken by DCITA as part of the assessment process to determine the good character and business reputation of the recommended candidate. This could involve, at a minimum, a police check.

DCITA will prepare a report, detailing the information provided, comments from the nominated referees and the background check (where necessary), for consideration by a DCITA officer nominated by the Minister for Communications, Information Technology and the Arts. The state/territory government will be advised of the outcome without delay.

Public call for applications

Where the state/territory government uses a public call for applications a selection panel will be formed (in the nominated state/territory) to consider the applications. The panel will include two representatives from the relevant state/territory government and may, at the discretion of DCITA, include one representative of DCITA. A state/territory member will chair the panel.

The selection process will involve an evaluation of the applicant's written submission and performance at interview. The panel may also contact nominated referees for further information on each applicant. The panel may seek the services of a recruitment agency to undertake particular aspects of the selection process (e.g. advertising the position and shortlisting applicants).

Background checks may be undertaken by DCITA as part of the assessment process to determine the good character and business reputation of the applicant. This could involve, at a minimum, a police check.

Following the assessment of all applicants, the selection panel will finalise a report identifying the proposed successful applicant for consideration by a DCITA officer nominated by the Minister for Communications, Information Technology and the Arts.

BROADBAND DEVELOPMENT PROGRAM – SELECTION CRITERIA AND KEY CONDITIONS – BROADBAND PROJECT MANAGERS

Selection criteria

In consultation and collaboration with each state/territory government, DCITA will develop selection criteria for the selection of Broadband Project Managers. The selection criteria will include, but not be limited to:

- ability to promote a strategic approach to the deployment of broadband infrastructure that supports state/territory telecommunications policies and the Key Performance Indicators identified by the Australian Government (**Attachment E**);
- ability to foster collaborative and strategic partnerships across geographic areas or sectoral groups for broadband development;
- ability to liaise effectively with government agencies, service providers and community organisations, including, where appropriate, Indigenous communities;
- knowledge of state/territory telecommunications markets, broadband infrastructure and associated technologies;
- experience with government telecommunications procurement policies and practices, and Australian Government and state/territory government legislative, regulatory and policy environments; and
- demonstrated project management experience.

The above selection criteria will apply irrespective of the process used to select the Broadband Project Manager.

Performance monitoring

The day-to-day performance of Broadband Project Managers will be monitored by the relevant state/territory government.

The state/territory government will be required to develop an annual Activity Plan to be approved by the Australian Government and updated (if necessary) in consultation with the Australian Government. The state/territory government will report on the performance of their Broadband Project Manager in implementing the Activity Plan through a quarterly activity report to the Australian Government that will include:

- activities underway (including description of current projects, locations of activities, time allocated, risks, obstacles and expected results);
- outcomes achieved against the Activity Plan; and
- forward work under the Activity Plan.

The Australian Government will monitor the activities and outcomes being achieved by all Broadband Project Managers. Where appropriate, the Australian Government will identify best practice approaches under the program and share this knowledge with all state/territory governments.

Where the Broadband Project Manager is not engaged as a state/territory government employee, the agreement developed between the state/territory government and the Broadband Project Manager must include review and termination provisions for under-performance. The employment agreement must also include conflict of interest provisions to ensure the impartiality of the Broadband Project Managers in performing their duties. A process must also be specified for dealing with any conflict of interest issues that may emerge.

Cost of engaging and supporting Broadband Project Managers

The Australian Government will contribute up to \$100 000 per annum for each Broadband Project Manager which will need to be at least matched by the relevant state/territory government. The total cost of engaging and maintaining a Broadband Project Manager may include the following elements:

- advertising and recruitment costs;
- salary (including on-costs e.g. superannuation);
- statutory employment costs;
- legal costs associated with an employment or consultancy contract;
- costs relating to the identification and documentation of priority areas and opportunities for new and/or improved broadband services, including legal and financial advice;
- costs of developing promotional material (which may also include printing and distribution costs) to demonstrate the benefits of broadband and to mobilise enthusiasm for the technology in communities;
- travel and accommodation costs; and
- office facilities.

The cost of maintaining a Broadband Project Manager may vary across states and territories to reflect different costs of living, requirement for travel and other factors. The agreed financial commitments of each party will be documented in a Funding Agreement.

A portion of the Australian Government's share of agreed costs will be paid to the state/territory government on signing the Funding Agreement, with the remainder allocated to be paid upon the provision of quarterly activity reports satisfactory to DCITA. State/territory governments will be responsible for making all payments to Broadband Project Managers.

BROADBAND DEVELOPMENT PROGRAM – SELECTION PROCESS/CRITERIA – BROADBAND PROJECT OFFICER

In June 2006, each state and territory government was invited to submit to DCITA a list of priority broadband projects for their jurisdiction. They were asked to explain how these priorities could be progressed through the activities of a Broadband Project Officer and also to nominate the most appropriate organisation to host the activities of a Broadband Project Officer.

In providing the list of priority projects, each state/territory government has also been asked to submit the following preliminary information:

- proposed activities that a Broadband Project Officer(s) will undertake;
- key stakeholders, such as industry, local government, service delivery or user groups;
- outcomes and relevant linkages that the proposed activities will achieve;
- how the proposed activities and/or outcomes support the *Connect Australia* objectives;
- an estimate of the cost of engaging a Broadband Project Officer;
- the estimated length of time for which a Broadband Project Officer would be engaged;
- any strategic aspects/considerations; and
- eligible organisations in an ideal position to seek funding for the engagement of a Broadband Project Officer (e.g. an Area Consultative Committee, Regional Organisation of Councils or other eligible organisations, such as Indigenous peak organisations) which are appropriately qualified and situated to employ and oversee the activities of a Project Officer, where such eligible organisations are clearly apparent.

When DCITA receives a complete set of state and territory priority projects, it will use this information to compile a list of Priority Broadband Development Projects. DCITA will then ask each nominated organisation to host a Broadband Project Officer to lodge a fully developed proposal, including a complete draft Activity Plan, together with final information in respect of each of the matters listed above. The Activity Plan must contain the following information:

- a synopsis of objectives;
- an explanation of the activities a Broadband Project Officer will undertake to achieve these objectives;
- claims against the selection criteria listed below;
- a financial plan; and
- details of the management structure of the organisation (including details of how the Broadband Project Officer will be managed).

The Activity Plan would be completed by the Broadband Project Officer over the term of their engagement.

DCITA reserves the right to ask eligible organisations for further detail on the proposal. A detailed assessment of the proposal will then be completed against the selection criteria detailed below.

A recommendation as to whether funding should be provided for the engagement and support of a Broadband Project Officer for a priority Broadband Development Project will then be made to a DCITA officer nominated by the Minister for Communications, Information Technology and the Arts.

Once approval is given that funding should be provided, DCITA will enter into a Funding Agreement with the relevant eligible organisation. That agreement will contain arrangements for the engagement and support of a Broadband Project Officer. It will be a condition of funding that DCITA approve the individual appointed and their Activity Plan.

Broadband Project Officer - selection criteria

Selection criterion 1: The level of expertise within an eligible organisation available to manage the activities of a Broadband Project Officer and proposed approach to management

Proposals should demonstrate that the management of a Broadband Project Officer will be undertaken by key personnel with an appropriate combination of skills, expertise and experience.

The following range of management experience or skills would be considered highly desirable:

- high level interpersonal skills;
- demonstrated ability to manage staff;
- demonstrated contract management skills; and
- well developed negotiation skills.

Where possible, proposals should identify key people responsible for managing the Broadband Project Officer, and include a brief *curriculum vitae* (maximum of two pages including the names of two relevant referees) for each person.

The proposed approach to management of the Broadband Project Officer should be described (and will depend upon the manner of their employment/engagement).

Selection criterion 2: How the Broadband Project Officer will contribute to the benefits and outcomes of the Broadband Development Project

Eligible organisations will need to describe how the Broadband Project Officer will contribute to the relevant Broadband Development Project.

For example, the activities of the Broadband Project Officer may contribute to:

- improving access to broadband within the area including whether the local competitive telecommunications environment will be enhanced and whether new infrastructure will be deployed;
- improving the delivery of broadband services in the targeted region(s); and
- improving access to broadband that will benefit the targeted community or communities.

To assist with the assessment process, these benefits and outcomes should be as tangible and as quantifiable as possible. In identifying the benefits and outcomes, organisations should discuss:

- how broadband will improve the delivery of services in the targeted community or communities;
- the likely impact on the community as a result of the improved services, including possible social, business and regional development implications;
- the extent to which the project will provide improved access to broadband services for the wider community, including SMEs, not-for-profit organisations and other consumers; and
- any other spin-off benefits.

Selection criterion 3: The extent to which the infrastructure and/or services to be delivered by the Broadband Development Project and the activities to be conducted under the Activity Plan are new and additional

Eligible organisations should indicate the degree to which the relevant project and the activities of the Broadband Project Officer under the Activity Plan will complement, rather than duplicates, any current broadband initiatives within the jurisdiction. In particular, organisations must identify any past, current or expected funding that will be received from other Australian Government programs and/or state, territory or local government programs and explain why funding a Broadband Project Officer would provide additional benefits and outcomes.

Selection criterion 4: The nature and range of organisations involved in the Broadband Development Project and the effectiveness of the corporate and management structure

Eligible organisations should provide details of each organisation and key individuals likely to be involved in the project. It needs to be clearly stated that the right organisations will implement the project and that it will have support from the right groups to facilitate the success and viability of the project (such as technical experts, auditors or accountants).

Eligible organisations should provide an outline of the proposed organisational, decision making and reporting arrangements to be put in place to achieve the objectives of the project.

Eligible organisations must specify and describe the corporate entity that will receive Broadband Project Officer funding and should outline the role that any partner(s), or other participant in the project will have in establishing, maintaining and contributing to the project.

The role of the proposed Broadband Project Officer and the way in which they will participate in, or support, the proposed organisational and project management approach should be described.

Eligible organisations should provide evidence (for example, letters of agreement and/or commitment) of any linkages already established with other organisations and individuals that will be involved in the project. Where linkages are yet to be finalised, please provide details of the nature and status of negotiations to establish such linkages, and contact names and details.

Selection criterion 5: The quality and viability of the implementation, management and financial plans

It is expected that organisations will provide detailed implementation, management and financial plans.

Organisations should provide a description of the milestones and outputs for the proposed Broadband Development Project. This plan should describe the role of the proposed Broadband Project Officer and should also contain the following information as appropriate.

(a) implementation plan

This should include a schedule showing all stages involved in implementing the project, including performance indicators and milestones.

(b) management strategy

Depending on the nature of the project, the management strategy might include:

- a preliminary assessment of the resources required to complete the project;
- a description of how the project will ensure that the services meet user needs;
- a description of how the success and viability of the project is being measured; and
- an outline of the skills and expertise required to implement the project.

If a preferred Broadband Project Officer has been identified, please provide details including a *curriculum vitae* (maximum of two pages including the names of two referees).

(c) financial plan

The financial plan should include:

- the total budget for the project;
- a statement of all funding sources (including private sector, Australian Government, state and/or territory government and/or local government);
- a statement of all cash and in-kind contributions being made to the project by the project proposer and other parties, including letters of commitment. Where in-kind contributions are proposed, they should be valued and the method of valuation should be specified;

- mechanisms to monitor the financial viability of the project; and
- any key assumptions on which the financial plan relies.

The implementation, management and financial plans should identify possible risks to the implementation and sustainability of the project and the strategies for dealing with those risks.

KEY PERFORMANCE INDICATORS FOR PROGRAM EVALUATION

The Clever Networks program will be evaluated against a number of Key Performance Indicators (KPIs) identified by the Australian Government. Although applications for funding under Clever Networks are not expected to satisfy all KPIs, the indicators listed below will be used to measure and report on program progress, outputs and benefits.

KPI 1: Increased broadband take-up

- number of new broadband subscribers (those who purchase the service);
- number of new broadband users (e.g. family users in the home);
- number of new users by relevant sector (e.g. government, household and business); and
- extent to which users are classified as rural, regional and remote using the Rural, Remote and Metropolitan Areas (RRMA) classification.

KPI 2: Increased broadband availability

- number of towns and regions with new or upgraded broadband capacity, by technology type and speed;
- number of new services being delivered, by technology type and speed; and
- number of people who can access broadband, by technology type and speed.

KPI 3: Increased broadband competition

- impact of the program on the competitive telecommunications environment in project area (e.g. increased number of providers);
- level of infrastructure based competition (e.g. providers enabling exchanges or building wireless towers); and
- level of service based competition (i.e. reselling Telstra infrastructure).

KPI 4: Reduced price of broadband services

- change in the cost of user monthly access to services, by connection type (e.g. asymmetrical digital subscriber line (ADSL), wireless, satellite); and
- change in the cost of user monthly access to services, by speed (256 kbps, 512 kbps, 1.5 mbps+).

KPI 5: Increased quality of broadband services

- level of user satisfaction with broadband;
- number of broadband complaints (e.g. customer service, billing, provisioning), by broadband technology type; and
- effective data download rate performance (actual speeds achieved).

KPI 6: Increased range and use of broadband applications, content and services

- main impact of broadband use on the online *activities* of users;
- main online applications used and growth in data downloads;
- use of broadband applications – e.g. Voice over Internet Protocol (VoIP); and
- use of broadband for remote working (teleworking).

The following KPIs report the use of broadband by sector, with the project leader to report under relevant KPI(s) according to the focus of the project.

KPI 7: Increased use of broadband in education and research

- use of broadband by education sector (e.g. higher education, schools, vocational education and training), by connection type and speed;
- applications used by broadband users for service delivery, administration, and training; and
- economic and social benefits of broadband use by the education sector (e.g. improved access to education for residents).

KPI 8: Increase use of broadband in health

- use of broadband by health sector (e.g. general practitioners, hospitals, pharmacies, specialists, health centres, allied health, nursing homes), by connection type and speed;
- applications used by broadband users for service delivery, administration, and training; and
- economic and social benefits of broadband use by the health sector (e.g. improved access to health services for citizens and relevant groups, and organisational efficiencies).

KPI 9: Increased use of broadband to deliver government services

- use of broadband by government agencies and government funded services for service delivery (e.g. downloading information and performing transactions via websites);
- use of broadband by users accessing government websites (e.g. from the home); and
- economic and social benefits of broadband use by government services (e.g. increased customer access to information and communication efficiencies).

KPI 10: Increased use of broadband in business

- number of broadband businesses by employment size (small, medium and large enterprises);
- applications used by broadband businesses for service delivery, administration, and training, by connection type and speed;
- broadband use in performing e-business activities and transactions (e.g. online buying, selling, purchasing and ordering); and

- economic and social benefits of broadband use by business sector (e.g. employment opportunities, work flexibilities, accessing new markets and organisational efficiencies).

KPI 11: Increased use of broadband in the community sector

- use of broadband by the community sector (e.g. community services, non-profit organisations, sports and recreation groups, special interest groups, community groups), by connection type and speed;
- applications used by broadband users for service delivery, administration, and training; and
- economic and social benefits of broadband use by the community sector (e.g. organisational efficiencies and better service delivery to clients).

INFORMATION FOR INTERESTED PARTIES

1. Scalability and right to vary program

The Australian Government reserves the right to vary these guidelines, including without limitation in light of changes to Government policy. The Australian Government will notify all potential applicants (by means of a media release and an appropriate notice on the DCITA website), or all applicants where the time for submission of applications has passed, of any changes to these guidelines.

The Australian Government reserves the right to:

- allocate a lesser amount than requested in the funding proposal;
- seek changes to the project in the context of negotiating a Funding Agreement; and
- vary, amend or terminate the selection process at any time.

Proposers for funding will be required to specify the degree to which their project could be scaled down to meet a reduced amount of Clever Networks funding.

Proposals are to be made on the basis that submitting parties acknowledge that neither these guidelines, nor any project proposal, give rise to a Funding Agreement or any other agreement. The Australian Government will not, in any circumstances, compensate proposers for any costs associated with their proposal.

2. Background checks

Background checks, including checks of financial viability or criminal records may be undertaken by DCITA as part of the assessment process to determine the good character and business reputation of the proposer and its staff and any consortium members and their staff. Checks may also be made on companies associated with the lead proposer and any consortium members through the Australian Securities and Investments Commission and credit reference agencies. The proposer should include any required consents from all relevant parties in its proposal.

Full corporate and ownership details of the entity that will receive the funding and each member of any relevant consortium must be provided.

3. Confidentiality

The Australian Government will own applications. While an applicant will, as between itself and the Australian Government, own intellectual property rights that exist in the information contained in an application, the Australian Government and its advisers may reproduce, adapt, modify and develop such information for the purposes of the application and assessment processes and, to the extent necessary, the applicant licences the Australian Government and its advisers to do so.

Applicants should provide details in respect of any information that they would require DCITA to treat as confidential.

Examples of confidential information to be protected may include the following:

- commercial or trade secrets;
- proprietary information (e.g. information about how a particular technical or business solution is to be provided);
- a proposer's internal costing information or information about its profit margins;
- pricing structures (where this information would reveal whether a proposer was making a profit or loss on the supply of a particular good or service) which excludes publicly available pricing structures; and
- intellectual property matters where these relate to a proposer's competitive position.

DCITA is accountable to the Australian Parliament and to the public for all aspects of the Clever Networks program. The treatment of applications is subject to obligations placed on Australian Public Service employees by the *Privacy Act 1988*, the *Crimes Act 1914* and the *Public Service Act 1999*, which govern the use of the information provided. DCITA may need to disclose details of your proposal to the responsible Minister, Parliamentary Committees, the Auditor-General or as required by law.

The Australian Government will hold in confidence those parts of applications identified as confidential, provided that the Australian Government may disclose information contained in, or provided in connection with, an application if:

- that disclosure is required by law;
- that disclosure is required to meet DCITA's or its Minister's reporting or accountability requirements as required by relevant legislation (including the *Financial Management and Accountability Act 1997* and the *Freedom of Information Act 1982*), the Australian National Audit Office or any other auditor, the Commonwealth Parliament and its committees, and the Commonwealth Ombudsman;
- the information is, or becomes public knowledge, other than by breach of confidentiality by the Australian Government or other unlawful means by the Australian Government; or
- disclosure is to any of the Australian Government's officers, employees, contractors, consultants, advisers or agents and, if the information is confidential, those persons are under an obligation of confidentiality.

For the purpose of assessing Clever Networks funding proposals, some or all of the information provided in proposals may be disclosed to a DCITA Advisory Group, relevant state/territory government departments or agencies, or Australian Government departments and agencies. Information may also be provided to advisers contracted to advise on financial or other aspects of the applications.

4. Privacy of individuals

Personal information, including documents containing personal information, will be handled and protected in accordance with the provisions of the *Privacy Act 1998* which sets standards for the collection, storage, use and disclosure of personal information. Personal information will be disclosed only with the permission of the individual to whom it relates, or where the Privacy Act allows.

5. Funding Agreement

Successful proposers will be required to execute a Funding Agreement with the Australian Government (framework draft Funding Agreement is at **Attachment H**). Funds will only be provided on the terms specified in the Funding Agreement. Proposers should not begin a project before the Funding Agreement is executed. The Australian Government will not make payment for any work undertaken before the Australian Government signs the Funding Agreement.

The Australian Government may also impose additional conditions for entry into a Funding Agreement, such as requirements for the funding recipient to provide financial or performance guarantees or securities, should the Australian Government consider such conditions necessary to protect the Commonwealth's rights and interests under the Funding Agreement. The need for an extent of such conditions will be assessed on a case-by-case basis.

The framework draft Funding Agreement at **Attachment H** sets out the Australian Government's requirements, as currently anticipated. Some tailoring of requirements and obligations (for example frequency of reporting) may require adjustment in the context of any particular selected application and the Australian Government reserves the right to communicate tailored requirements at the time it notifies an applicant that a decision has been made to provide funding.

6. Compliance with laws

Proposers must comply with all laws of the Australian Government and state and territory governments. This includes complying with the *Telecommunications Act 1997* and the *Trade Practices Act 1974*.

Please note that DCITA will **not** provide legal advice to project proposers. Project proposers should seek their own independent professional advice on all legal matters including compliance with any statutory obligations.

7. Declaration by lead project proposer

Project proposers are required to sign a declaration confirming that:

- they are authorised to provide information on the proposal on behalf of all consortium partners;
- the information provided in the proposal is complete and correct; and
- they have read, understood and comply with Clever Network program guidelines and that the guidelines are not an offer on the part of the Australian Government.

Please see the Submission Pack for further information.

8. Goods and services tax (GST)

The allocated Australian Government funding for the Clever Networks program specified in these guidelines is inclusive of any applicable GST.

For further information on taxation matters, proposers should seek independent professional advice or contact the Australian Taxation Office.

9. Evaluation

It will be a condition of funding that funding recipients participate in program reviews and an evaluation as required. To effectively participate in this, funding recipients will be required to keep adequate records.

DEFINITION OF KEY TERMS

Applications

In the context of the Clever Networks program, this refers to the end uses made possible by the increased bandwidth and availability of broadband. Examples include distance learning, delivery of multimedia training, telemedicine, e-commerce and e-government. It also includes general business productivity tools such as messaging, voice over IP, video conferencing, file and software program sharing.

Broadband

An 'always on' Internet connection with an access speed of at least 256 kbps (Australian Bureau of Statistics definition). A broadband service does not require a separate telephone line to that being used for telephone services. A broadband connection can be in use on the same telephone line on which a normal telephone conversation is taking place.

Broadband Blueprint

An Australian Government document which sets out Australia's national framework for the roll-out of next generation broadband infrastructure, by both government and the private sector, to enhance Australia's capabilities as a prosperous, knowledge-based information economy.

Broadband Development Project

In the context of the Clever Networks program, this refers to projects that will help end users in regional, rural and remote Australia to get improved access to and better use of broadband.

Broadband Development Project Priority List

A list of Broadband Development Projects that DCITA, in consultation with states and territories, has deemed eligible to be allocated a Broadband Project Officer.

Broadband Project Officer

An individual funded by the Australian Government under the Broadband Development element of the Clever Networks program. The Broadband Project Officer's role is to complete the activities identified in the approved Activity Plan for the Officer.

Broadband Development Project Activity Plan

Specific and measurable activities to be undertaken by the Broadband Project Officer to progress the relevant Broadband Development Project.

Connectivity

The protocols, services and systems which allow traffic packets of data to move between two endpoints to allow applications such as voice telephony or the Internet.

Demand aggregation

The means by which groups of users join forces to consolidate demand for high speed Internet services and, in doing so, attract investment in the required infrastructure and seek a cost effective solution from a commercial provider.

Infrastructure

In the context of the Clever Networks program, this refers to the physical set of connections (e.g. cable, wireless transmitters, exchanges) which create a telecommunications facility for the delivery of a service. Examples include telephone services, and data transmission services (e.g. the Internet).

‘Last mile’ connectivity

The connection between the communications exchange in a geographical area and the individual residences and businesses using the service.

Leverage

To source finance for and investment in broadband infrastructure and services, from state or territory governments, local governments, communities and the private sector, on a dollar-for-dollar or in-kind basis.

Next Generation Broadband

Next Generation Broadband is a packet-based network which offers high speed, multi-megabit services using a mixture of fibre, copper, wireless and satellite infrastructure. The \$1.1 billion *Connect Australia* package, of which Clever Networks is one program, will encourage the significant roll-out of next generation telecommunications infrastructure across Australia.

Regional, rural and remote areas

In the context off the Clever Networks program, regional, rural and remote areas include all of Australia except capital cities and adjacent major urban areas.

Stakeholders

Groups or organisations with a common interest in delivering a particular program. In the context of the Clever Networks program, stakeholders include state/territory governments, local government, the private sector, regional organisations and communities, including Indigenous communities.

**FRAMEWORK DRAFT FUNDING AGREEMENT –
CLEVER NETWORKS INNOVATIVE SERVICES
DELIVERY**

This attachment is available separately from www.dcita.gov.au/clevernetworks