



Australian Government

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

CLEVER NETWORKS PROGRAM GUIDELINES

INNOVATIVE SERVICES DELIVERY

ROUND 2

MAY 2007

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1. Clever Networks Program

1.1. Introduction

The aim of the \$1.1 billion Connect Australia package is to provide regional, rural and remote areas of Australia with improved access to first-class telecommunications services. The Connect Australia program will support the roll-out of affordable and sustainable broadband services, including new regional networks, mobile services and Indigenous broadcasting and telecommunications infrastructure.

1.2. Clever Networks

The Clever Networks program is part of the Connect Australia package and is intended to provide a catalyst to harness the transformative capabilities of broadband to support the innovative delivery of health, education, government, community and emergency services in regional, rural and remote areas of Australia.

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

- An Innovative Services Delivery (ISD) element to co-fund projects which utilise broadband technologies and broadband enabled applications to support improved service delivery in the health, education, government, community and emergency sectors for end users in regional, rural and remote Australia. Round 1 of the Innovative Services Delivery element of the Clever Networks program closed on 18 December 2006 and funding outcomes were announced in April 2007. Round 2 was launched on Monday 14 May 2007. Funding applications are due by Monday 9 July 2007.
- A Broadband Development element to co-fund the engagement of Project Managers (for each state/territory) and Project Officers (for specific projects). The Broadband Development element will help to improve skills and capabilities, enhance business practices and aggregate demand in under-served communities. Broadband Project Managers and Broadband Project Officers will work with and for regional communities to enhance understanding, use of and access to broadband. Applications for funding under the Broadband Development element have closed.

1.3. Program Objectives

The objective of the Clever Networks program is to fund broadband applications and leverage investment in broadband infrastructure to foster innovative service delivery for regional, rural and remote 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 is intended to support the realisation of these social and economic benefits by supporting the improved delivery of services in the priority sectors of health, education, community, government 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.

These guidelines (ISD Round 2 Guidelines) are intended to provide information to interested parties specifically in relation to the second funding round for the Innovative Services Delivery funding element, in particular in relation to the purpose, funding, timing, eligibility and assessment and selection process for ISD Round 2 funding.

For information in relation to ISD Round 1 and the Broadband Development aspect of the Clever Networks program, please refer to the Clever Networks guidelines dated August 2006 (as amended)—the original Clever Networks Program Guidelines at www.dcita.gov.au/communications_for_business/funding_programs__and__support/lever_networks/isdr1

Applicants for funding under ISD Round 2 should note that the ISD Round 2 Guidelines are different from the original Clever Networks Program Guidelines.

1.4. Connect Australia

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

- Broadband Connect, with \$878 million for improved broadband services in regional Australia;
- Mobile Connect, with \$29.5 million to extend terrestrial mobile coverage and continue satellite handset subsidies for more remote areas; and
- Backing Indigenous Ability, with \$89.9 million to deliver a comprehensive package addressing elements such as telephones, Internet access, videoconferencing, Indigenous online content and Information and Communication Technology (ICT) training in remote Indigenous communities. It will also improve Indigenous radio and television.

Connect Australia components will be administered as separate programs, with their own guidelines and assessment processes.

1.5. Further Regional Telecommunications Initiatives

Connect Australia will significantly enhance services to regional Australia. In addition, the \$2 billion Communications Fund will be used to deliver an income stream to fund Australian Government responses to the recommendations of future legislated reviews into regional telecommunications. The first regular review will commence before the end of 2008.

The Prime Minister and the Minister for Communications, Information Technology and the Arts announced the Australian Broadband Guarantee on 7 March 2007. The Australian Broadband Guarantee will provide subsidised Internet access for Australians currently unable to gain a reasonable level of broadband service at their

principal place of residence or small business. From April 2007, the Australian Broadband Guarantee will replace the Broadband Connect Incentive Program and the Metropolitan Broadband Connect program.

1.6. Broadband Blueprint

On 7 December 2006, the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan, announced the Broadband Blueprint—a national framework for the roll-out of next generation broadband infrastructure for Australia both by governments and by the private sector. The Broadband Blueprint:

- recognises that Australia's future broadband infrastructure will need to be fit-for-purpose and scalable to meet the needs and requirements of a wide range of users;
- promotes competition and competitive investment in broadband;
- addresses market imperfections through targeted government support; and
- promotes the effective use and take-up of broadband;

The Australian Government is working closely with state, territory and local governments to streamline initiatives to encourage investment in next generation broadband infrastructure. Closer collaboration between governments and industry is also important. The Implementation Plan for the Broadband Blueprint will be finalised in 2007.

1.7. Areas of focus for Clever Networks

Under the Clever Networks program (including ISD Round 2) projects will be expected to deliver services predominantly in regional, rural and remote areas. Regional, rural and remote areas include all of Australia except capital cities and adjacent major urban 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.

Within the framework of the Broadband Blueprint, the Australian Government will work with other levels of government to maximise the impact of public and private investment in broadband across jurisdictions.

1.8. Further Assistance

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

Tel: 02 6271 1023

Fax: 02 6271 1780

Email: clevernetworks@dcita.gov.au

All information on the Clever Networks program, including the ISD Round 2 Submission Pack and funding outcomes from the ISD Round 1 and Broadband Development funding aspects, can be found at:

www.dcita.gov.au/communications_for_business/funding_programs_and_support/clever_networks

NOTE: Parties interested in the Clever Networks program (including ISD Round 2 funding) should rely only on program information that is obtained from DCITA.

2. Innovative Services Delivery Round 2

2.1 Purpose

The ISD Round 2 element of the Clever Networks program will co-fund projects that use broadband connectivity and broadband applications to support the more effective provision of community, government, emergency, health and/or education sector services. Project outcomes may also lead to the increased availability of broadband capacity and innovative broadband enabled services for communities in regional rural and remote areas.

ISD Round 2 funding is expected to build on outcomes of Australian Government and state and territory regional telecommunications funding initiatives and will be directed toward projects that:

- demonstrate strategic partnerships and linkages and that are seen to complement, rather than duplicate, previous public investment;
- are likely to have a significant impact relative to the Australian Government's objectives, as set out in the Broadband Blueprint; and
- will provide significant improvement in the delivery of broadband-based services, in particular regions or sectors which either risk being left behind, or where a focused intervention would yield national benefits.

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, applicants 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, applicants may be required to 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.

2.2 Funding

The (indicative) range of Australian Government funding that may be provided for a particular project under the ISD Round 2 is \$3 million–\$10 million (ex GST). This is an increase in the funding available over that offered in Round 1 and reflects the

Government's desire to encourage projects that are more strategic in nature. The total amount of funding that may be made available under ISD Round 2 is no more than \$45 million.

ISD Round 2 applicants must include contributions from sources other than the Australian Government that at least match the ISD Round 2 funding.

Funding will only be provided to high quality projects that require initial start-up funding to be implemented. Applicants 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

Applicants for funding under ISD Round 2 must be lodged by 5.00pm Australian Eastern Standard Time (AEST) Monday 9 July 2007.

Further ISD funding rounds may be held as announced by DCITA.

DCITA reserves the right to amend these guidelines or the original Clever Networks Guidelines (or develop specific guidelines and/or application processes) to reflect the aims and desired outcomes of any future funding rounds.

While the Clever Networks program will run until 30 June 2010, projects funded under the ISD element must be completed before 31 December 2009 to allow time for auditing and the final program evaluation. Successful applicants 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.

2.4 Eligibility

An application for funding under ISD Round 2 may only be made by an organisation which:

- is an incorporated entity or a state or territory government in its own right; and
- is a service provider in one or more of the following sectors:
 - health
 - education
 - emergency services
 - community services
 - government services.

Service providers would include organisations which deal directly with the public or organisations which represent the collective interests of such service providers.

Eligible organisations may be not-for-profit or for-profit.

Examples of eligible organisations are schools and tertiary education providers (government and non-government, not-for-profit and for-profit); hospitals (public and private); allied health providers (e.g. medical imaging services, pharmacy); police, fire and ambulance services; local governments; charitable organisations; and volunteer organisations.

Organisations which are not service providers in the relevant sectors may not make proposals in their own right. Examples of non-eligible organisations are those which provide communications and specialised applications to health and education service providers. However a consortium may include such non-eligible organisations provided that at least one member of the consortium is an eligible organisation.

Eligible organisations are encouraged to form consortia with ICT vendors, telecommunications carriers and service providers, to allow presentation of well-developed technology solutions to areas of need which are unlikely to be met without funding. Consortia may also include other bodies and individuals able to contribute to project outcomes, including Australian Government agencies.

Where a consortium seeks funding, its members must nominate a single member organisation to act on behalf of all consortium members in all their dealings with DCITA (the ‘lead project proposer’) which must be an eligible organisation. 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 agencies cannot act as the lead project proposer.

When seeking funding, applicants are required to provide a statement of compliance (see the ISD Round 2 Submission Pack) affirming that they will comply with the draft Funding Agreement at ATTACHMENT D—Framework Draft Funding Agreement—Clever Networks Innovative Services Delivery.

2.5 Assessment and Selection

DCITA staff will conduct an initial assessment of ISD Round 2 applications taking into account eligibility and merit against the selection criteria at ATTACHMENT A—Innovative Service Delivery Round 2—election Criteria.

DCITA may exclude from further consideration those applications which (as determined by DCITA):

- 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.

DCITA will conduct a detailed assessment of the applications against the selection criteria, taking into account, as considered appropriate, comments and advice provided by:

- 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. Contributions from sources other than the Australian Government must at least match the ISD Round 2 funding. Contributions from entities that are primarily funded by the Australian Government will be treated as Australian Government funding for the purposes of this requirement.

This in no way precludes entities that are primarily funded by the Australian Government from being part of a consortium. However, contributions from any such consortium member would be disregarded for the purpose of assessing whether the application complies with the requirement for contributions from other sources to at least match the ISD Round 2 funding sought.

In finalising its recommendations for ISD Round 2 funding, DCITA will take into account the merits of the proposals against the selection criteria and the program objectives as set out in these guidelines. The final assessment of the ISD Round 2 applications by DCITA will be submitted to the Minister for Communications, Information Technology and the Arts for consideration. Applicants whose proposals are ranked highly in the assessment process may be required to attend an interview with DCITA.

2.6 Lodgement of Applications

Applications must be submitted via email to clevernetworks@dcita.gov.au.

Applications must be submitted by 5.00pm AEST Monday 9 July 2007. DCITA will not accept project proposals that are submitted either before or after these timeframes.

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

Further details on how to lodge applications can be found in the Clever Networks— ISD Round 2 Submission Pack which is available from www.dcita.gov.au/clevernetworks or by phoning the DCITA contact officer on (02) 6271 1023.

ATTACHMENT A

Innovative Service Delivery Round 2—Selection Criteria

Applicants for ISD Round 2 funding should address their application against six selection criteria set out below. Consistent with the strategic focus of ISD Round 2, greater weight will be given to Selection Criterion 1. Aggregate scores will then be used to determine project rankings and inform funding outcomes.

In responding to these selection criteria, applicants should have regard to the Australian Government's Broadband Blueprint.

Selection Criterion 1: Project Outcomes and Benefits

Applicants should describe proposed project outcomes and benefits, including any anticipated improvements to the delivery of broadband enabled health, education, government, emergency and/or community services in regional, rural and remote areas resulting from project implementation. Applicants should also identify any associated wider community and/or national benefits.

Applicants should describe how the project will improve the delivery of broadband enabled services in targeted region(s). Applicants should also clearly detail how proposed project outcomes are able to be measured and evaluated. When identifying project benefits and outcomes, applicants should:

- outline how the project will utilise broadband to support the improved delivery of health, education, government, emergency and/or community services; and
- describe the potential social and economic benefits for service end-users resulting from project implementation.

Applicants should also describe the nature and extent of any service delivery benefits occurring beyond nominated target sectors and end-user communities. To this end the funding applicant should:

- describe the benefits of project implementation that may be relevant to entities and groups outside of the key priority sectors, such as small-to-medium enterprises, not-for-profit organisations and Indigenous communities;
- identify any other associated wider community benefits resulting from the project, including regional development implications; and
- outline the extent to which the project will contribute to the development of Australian Information and Communications Technology (ICT) capabilities and the role that Australian ICT companies will play during project implementation.

Selection Criterion 2: Technical Characteristics and Access Conditions

Applicants should describe the broadband infrastructure and/or applications to be delivered by the project. Applicants should also indicate if the infrastructure and/or applications will be made available to access seekers, and if so, on what terms and conditions access will be provided.

When responding to this criterion applicants should clearly describe the technical characteristics of the broadband infrastructure and/or applications to be provided by the project. The description should outline:

- the telecommunications technologies to be used in the project;
- the level of project scalability;
- a description of compliance with relevant technical standards, including the level of interoperability with other public networks; and
- an outline of the network maintenance strategy and redundancy provisions.

Where a project involves the creation of new infrastructure applicants are required to offer fair and equitable third party access to facilitate the provision of comparable services on a retail basis, unless it can be shown to DCITA's satisfaction that allowing such access would be inappropriate/unnecessary in the particular circumstances. Access obligations (where applicable) will be included in any Funding Agreement with the Australian Government and will include a requirement to participate in binding arbitration in any disputes that may arise with access seekers, including in relation to the terms and conditions on which access is provided.

When responding to this Criterion applicants should clearly outline:

- whether access will be made available to third parties;
- if access will be offered, the terms and conditions upon which access will be provided, including service quality standards where applicable. Price terms and conditions may include proposed wholesale prices or pricing methodology;
- where relevant infrastructure/services would be covered by existing statutory access obligations, the applicant should demonstrate an understanding of those requirements and a commitment to meeting all relevant statutory obligations; and
- where an applicant is not proposing to offer third party access the application should state why access provisions would not be appropriate/necessary in the relevant circumstances (for example, no infrastructure is being deployed or there may be no retail demand for that service).

Selection Criterion 3: Demand

Applicants should describe the nature and level of demand for the services to be delivered by the project.

When responding to this criterion applicants should:

- clearly identify the region(s) in which the project services will be delivered, and outline any local factors relevant to service delivery to these areas(s);
- describe why such services are currently not being provided, and are unlikely to be provided, in the targeted communities in the near future without ISD funding;
- describe and identify the number of potential service end users;
- include a description of how these demand levels were assessed; and
- provide detail of prior consultation with potential user organisations, outlining any agreement on services terms and conditions.

Selection Criterion 4: New, Additional and Complementary Services

Applicants should outline the ways in which the services to be delivered by the project will be new and additional and the extent to which the project will complement, rather than duplicate, other regional telecommunications initiatives.

When responding to this criterion applicants should:

- describe how the project will support improvements to the delivery of identified services through the innovative use of broadband enabled technologies and applications;
- outline how the project represents a new and additional approach and does not duplicate existing services and telecommunications initiatives;
- identify ways in which the project aligns with Australian Government and/or state or territory strategic priorities and broadband development policies; and
- demonstrate the extent to which the project may be able to leverage other elements of the Connect Australia package, including the Broadband Connect Infrastructure program.

Applicants should note whether they have received funding or submitted, or intend to submit, a funding request for the project from another Australian Government or state and/or territory government program. Applications should not be made for Australian Government funding for activities that would normally be funded by state and territory governments or that would be commercially viable without government support. Applications should not include projects that involve cost-shifting between levels of government or from the private to the public sector.

Selection Criterion 5: Management and Organisational Structures

Applicants should outline the project plan and risk management plan, describe organisational and management structures and provide evidence of successful and relevant past performance.

When responding to this criterion the applicant should include an initial project implementation plan. The plan should:

- identify a series of defined proposed project activities, outputs and outcomes;
- outline a project implementation timetable, including any references to any infrastructure deployment schedules. This should include project milestones and key performance indicators;
- identify and scope risks associated with project implementation and outline strategies for dealing with those risks; and
- demonstrate that the project will be fully implemented before 31 December 2009.

Applicants should also:

- identify organisations involved in the project and outline roles, responsibilities of key personnel and reporting arrangements within/between organisations;
- provide evidence of linkages which are already established with relevant organisations. Where linkages are yet to be finalised the status of negotiations, including contact names and details, should be included; and

- specify the entity that will receive ISD Round 2 funding and indicate if the project will be managed as a commercial operation or on some other basis.

Applicants should demonstrate that implementation and ongoing management of the project will be carried out by a management team with the appropriate combination of skills, expertise and experience. The following range of skills and/or experience will be considered highly desirable:

- 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.

Applicants should identify members of the project management team, where possible, and include brief curriculum vitae. The applicant must make clear the percentage of time that the manager or management team will devote to the management of the ISD project.

Applicants should provide details of up to ten recent major projects, undertaken under contract within the last seven years. These examples should, where possible, be of a similar nature to the proposed project and demonstrate the organisation's ability to deliver on time and on budget, and to work collaboratively in an effective manner. Where the applicant is a consortium, details of projects where consortium members have worked together will be considered particularly relevant.

The application should include the following details for each project:

- a description of the project;
- a description of the contribution made by the organisation to the project;
- an outline of performance under the project contract(s) (including milestones, budget and key performance indicators, as applicable);
- the dollar value of the project;
- the manner in which the project was funded;
- the contract date;
- whether the entity was engaged as the prime contractor or a subcontractor; and
- 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 these individuals and be provided with full 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 government agency (if not DCITA); and
- 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 these individuals and be provided with full information regarding project performance.

Applications from organisations (or consortia including organisations) that did not satisfactorily acquit previous Australian Government funding in accordance with contractual agreements will not be considered. Applicants must advise DCITA in their application if there are any past or current projects that have involved concerns by the Commonwealth about satisfactory acquittal of Australian Government funding.

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 funding applicant and consortium members.

Selection Criterion 6: Financial Planning and Sustainability

Applicants should detail the financial plan for the project and identify the level of funding from sources other than the Australian Government.

When addressing this criterion applicants should include a financial plan which outlines the financial strategy and viability of the project. Responses to this criterion should include:

- the total budget for the project (see ISD Round 2 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);
- a clear statement of all cash and in-kind contributions being made by the applicant and/or other members of the consortium;
- a proposed year-by-year breakdown of total funding during the period of the ISD program; and
- any key assumptions on which the financial plan relies.

Applicants are required to demonstrate that they will at least match ISD funding from sources other than the Australian Government over the life of the agreement. Identified contributions should be staged over the life of the project and matching funding should be obtained and applied to the project by 31 December 2009.

Applicants should also identify and confirm their ability to obtain funding for recurrent costs after ISD funding ceases in order to demonstrate sustainability of the project. Where a consortium seeks funding, all members of the consortium must make a contribution to the project.

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

contributions will limit the credibility and competitiveness of any proposal making such claims. When responding to this criterion applicants should:

- specify the precise nature and value of contributions to be provided by each organisation and individual; and
- include evidence, such as letters of commitment, for contributions being made from organisations other than the applicants (see ISD Round 2 Submission Pack for template).

If applicants intend to use existing infrastructure or facilities, past contributions towards establishing that infrastructure or facilities for the purposes of seeking ISD Round 2 funding cannot be claimed. However, to the extent relevant and only for the duration of the Funding Agreement, applicants may claim the revenue that they may forego by making capacity available for the purposes of a Clever Networks project. In this situation applicants must demonstrate that there was likely to have been commercial demand for this capacity.

Applicants should outline the degree to which the project is sustainable after ISD Round 2 funding ceases.

When addressing this criterion the applicant should outline their longer term strategy for the project and describe prospects for the project's long-term sustainability after ISD Round 2 funding ceases. Applicants should:

- describe the project's ongoing operation and maintenance costs and identify how such costs will be met;
- outline the marketing strategy for the project;
- outline the financial plan and financial projections for the project after ISD Round 2 funding ceases; and
- outline the strategy for developing and upgrading the project.

ATTACHMENT B

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).

ATTACHMENT C

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 Australian 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.

Applicants for funding will be required to specify the degree to which their project could be scaled down to meet a reduced amount of ISD Round 2 funding.

Applications 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 applicants 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 lead project proposer and its staff and any consortium members and their staff. Checks may also be made on companies associated with the lead project proposer and any consortium members through the Australian Securities and Investments Commission and credit reference agencies. The applicant 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 licenses 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);
- an applicant'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 an applicant'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 DCITA advisory groups, 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 applicants will be required to execute a Funding Agreement with the Australian Government (ATTACHMENT D— Framework Draft Funding Agreement—Clever Networks Innovative Services Delivery). 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 and extent of such conditions will be assessed on a case-by-case basis.

The framework draft Funding Agreement 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

Applicants 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 applicants. Applicants should seek their own independent professional advice on all legal matters including compliance with any statutory obligations.

7. Declaration by applicant/lead project proposer

Applicants/lead 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 ISD Round 2 Submission Pack for further information.

8. Goods and services tax (GST)

DCITA provides the following information on the GST in relation to funding:

- The amount of funding available under the Clever Networks Program is up to approximately \$100 million (GST exclusive), or approximately \$110 million (GST inclusive);

- The funding paid to successful applicants will be GST inclusive; and
- Applicants should ensure that they specify their funding requirements inclusive of GST.

The range of Australian Government funding that may be provided for a project funded under ISD Round 2 is from \$3 million (ex GST) to \$10 million (ex GST).

For all tax related matters, applicants 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.

ATTACHMENT D

Framework Draft Funding Agreement—Clever Networks Innovative Services Delivery

This attachment is available separately from:

www.dcita.gov.au/communications_for_business/funding_programs__and__support/clever_networks