



Australian Government

National Office for the Information Economy

COORDINATED COMMUNICATIONS INFRASTRUCTURE FUND

Discussion Paper

Background

This paper provides a discussion of the Coordinated Communications Infrastructure Fund (CCIF), a key commitment announced by the Australian Government as part of its response to the Regional Telecommunications Inquiry.

The CCIF is one element of the National Broadband Strategy. Other key elements of the Strategy include the Demand Aggregation Broker Program and the Higher Bandwidth Incentive Scheme. While these programs have been designed to complement each other, they will be administered separately.

Attachments to this paper include:

- The draft CCIF selection criteria are at [Attachment A](#)
- A draft map outlining the CCIF process at [Attachment B](#)
- The draft CCIF eligible and ineligible expenses are at [Attachment C](#).

Process for the allocation of the CCIF

Purpose

The Australian Government has allocated \$23.7 million through the CCIF to encourage further investment in broadband infrastructure in regional areas focussing on developing outcomes for the health and education sectors and government services.

The following guiding principles will apply to the allocation of funds under the CCIF program.

- The CCIF will promote the social and economic benefits of broadband services in regional, rural and remote communities.
- The CCIF will be used to encourage sectors, such as health and education, to work together in demand aggregation projects.
- CCIF proposals should be adaptable as requirements change and technological developments occur.
- The assessment of CCIF proposals will not favour particular technologies.
- CCIF proposals should seek to enhance the competitive environment for the supply of broadband.
- Proposals that are funded from a number of sources and maximise the total return on investment for all project partners will be favoured.
- Proposals should seek to stimulate further investment in the delivery of services using broadband infrastructure, including in the key sectors of health, education and local government.

- The Australian Government will contribute no more than 50 percent of the total cost of projects.
- The wider community, including small and medium enterprises (SMEs), not for profit community service organisations and consumers should be able to access excess capacity on networks developed for the public sector.
- Assistance will only be provided to high quality projects that require seed funding to be implemented. Proposals will also be expected to provide a clear strategy to ensure ongoing viability.

Targeting

The CCIF will build on the Australian Government's \$50 million National Communications Fund (NCF), which supports significant communications projects in the education and health sectors in regional Australia. The CCIF will also consider projects outside the health and education sectors that progress the priorities of the National Broadband Strategy.

Strategic priority areas for the CCIF include the health and education sectors and local government services in regional areas. The opportunity also exists for strategic innovative projects to be funded under the CCIF within these areas.

Timing

In October 2003, an advertisement will appear in the national press promoting the CCIF and providing advanced notice of expected calls for proposals in November 2003, July 2004 and March 2005. This process will ensure the successful completion of projects within the program's allocated funding timeframe.

On signing of the funding agreement with the Australian Government, successful projects will receive progressive payments based on successful completion of agreed milestones.

Eligibility

Australian Government funding assistance of up to 50 per cent of the total proposer's eligible project cost may be awarded. State and territory governments or other stakeholders can bring project proposals forward. The minimum amount of program funding is \$500,000, with the maximum amount capped at \$2 million unless exceptional circumstances can be demonstrated (for example, a nationwide project involving all state and territory governments). Project proposers will be required to at least match the Australian Government's funding dollar-for-dollar. Any in-kind contributions provided as matching funding will need to be included at cost.

For the purposes of the CCIF, regional areas include all of Australia except for capital cities, however CCIF funding may be used to establish links between regional communities and capital cities.

Project proposers are encouraged to work across sectors and jurisdictions in developing their projects. Collaborative partnerships may be formed between state and territory governments, demand aggregation brokers, companies such as telecommunication carriers, other government agencies including local government, health institutions, education institutions and not for profit organisations.

The Australian Government will require project proposers to have vetted their collaborative partners' credentials before project proposals are submitted. However,

NOIE reserves the right to undertake additional assessments of any proposer or partner's credentials. When successful project proposals are chosen, NOIE will enter into contractual arrangements with either the project proposer that submitted the proposal or a nominated lead collaborative partner.

Project proposers will be required to inform NOIE if they expect to receive or have applied for funding from other sources to support their proposal.

Decision-making process

A two stage application process is envisaged. All project proposers will be required to submit a concise expression of interest outlining the key elements of their project. Discussions will be entered into with project proposers that have developed high quality expressions of interest and where synergies exist with other proposals. National Broadband Strategy Implementation Group (NBSIG) members will provide comments on CCIF proposals at the expression of interest stage. The merging of expressions of interests will be encouraged where collaborative opportunities are identified. Project proposers will then be required to fully develop their proposals before the formal lodgement date.

Following the formal lodgement date, project proposals will be subject to business and technical assessments to be conducted by Australian Government commissioned consultants. NOIE will recommend proposals for the Minister's approval.

Monitoring

There will be regular and ongoing monitoring of individual projects to ensure compliance with the milestones outlined in project funding deeds. Unless otherwise agreed with the Australian Government, project proposers will be required to achieve milestones and conduct activities in accordance with their initial proposal.

CCIF recipients will be required to provide a certificate of expenditure and an annual independent audited statement of receipts and expenditure for their project. This certificate will include an explanation of:

- Expenditure of the CCIF
- Other expenditure on the project funds (including state and territory governments, other stakeholders and/or collaborative partners contributions identified in the deed).

Evaluation

A comprehensive evaluation of the CCIF will take place at the conclusion of the program.

National Broadband Strategy Linkages

The CCIF is one element of the National Broadband Strategy. Other key elements of the Strategy include the Demand Aggregation Broker Program and the Higher Bandwidth Incentive Scheme (HBIS). These programs have been designed to compliment each other and while it is likely that some project proposers will seek funding from all three elements of the Strategy, the programs will be administered separately.

The Demand Aggregation Broker Program aims to support the development of demand aggregation strategies to stimulate broadband investment and the provision of services in regional areas as well as in key sectors, such as health and education. The HBIS aims to provide equitable access to affordable broadband services in regional areas at prices reasonably comparable to those in urban areas.

Linkages between the CCIF, the Demand Aggregation Broker Program and the HBIS should be acknowledged in proposals. The CCIF may be allocated to projects that, for example, aggregate demand across sectors and jurisdictions, facilitated by demand aggregation brokers, and that allow residential users access, facilitated by the HBIS. A CCIF project could be identified by a demand aggregation broker to provide a regional intensive care unit with access (via a telepresence) to remote expert staff and provide broadband capability for distance education in the same region. The CCIF could also take advantage of HBIS arrangements, allowing residential users to use infrastructure developed primarily to support the CCIF project.

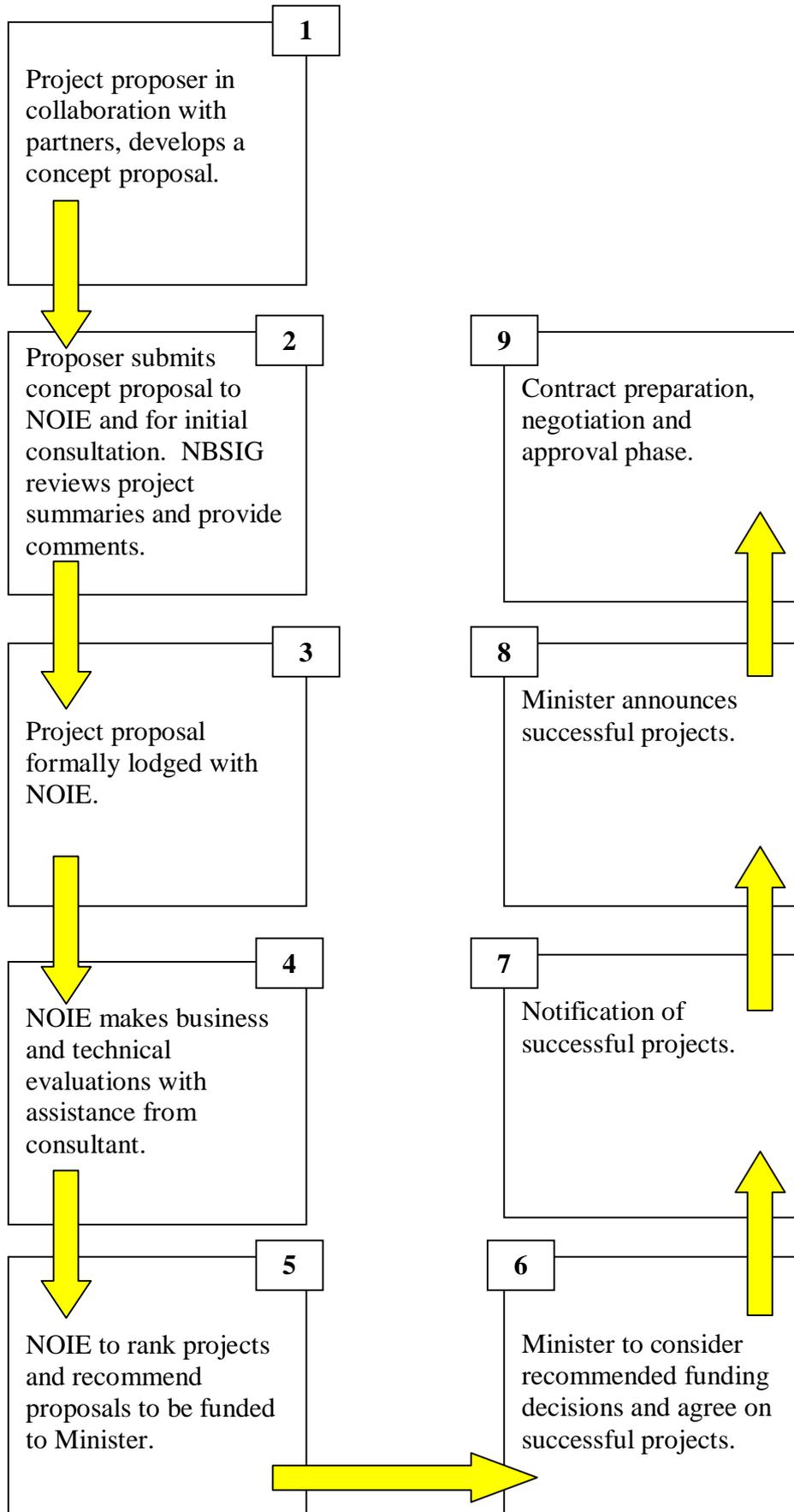
**DRAFT SELECTION CRITERIA FOR
THE COORDINATED COMMUNICATIONS INFRASTRUCTURE FUND**

1. The characteristics of the services to be delivered by the project:
 - (a) the nature, range and quality of the services which will be delivered by the project
 - (b) the nature and level of demand for the services to be delivered by the project.
2. The benefits and outcomes of the project:
 - (a) the extent to which the project addresses the priorities outlined in the National Broadband Strategy
 - (b) the degree to which the project is consistent with sectoral broadband and regional telecommunications initiatives
 - (c) the benefits and outcomes of the project in terms of improvements to the delivery of services to regional communities
 - (d) the nature and extent of consequential improvements of higher bandwidth services, in regional communities targeted by the project
 - (e) the extent to which the project promotes collaboration between stakeholders
 - (f) the extent to which the program can complement and build on regional telecommunications initiatives and/or all relevant government programs
 - (g) the degree to which the project demonstrates and/or develops Australian ICT capabilities to deliver products, services and information
 - (h) the extent to which the project enhances the competitive environment for the supply of broadband.
3. The extent to which the project provides value for money and maximises the return on investment for all parties.
4. The extent to which the project maximises the leverage of the Australian Government's investment in broadband, including:
 - (a) the proportion of project funding required by the Australian Government
 - (b) the extent to which the project will add value to investments by state and territory governments and private sector sources
 - (c) the extent to which public sector infrastructure could be leveraged to provide broadband services to the wider community, including small and medium enterprises (SMEs), not for profit organisations and consumers.
5. The nature and extent to which the project may support demand aggregation across sectors and in regional communities.
6. The extent to which the project requires assistance in order to be implemented and the degree to which the project is sustainable after the CCIF ceases.
7. The quality of the project plan, management strategy and financial plan and the quality of expertise and experience of the proposed management team with regard to establishing and managing the project.

Note – These criteria are not necessarily of equal weighting.

ATTACHMENT B

COORDINATED COMMUNICATIONS INFRASTRUCTURE FUND PROCESS MAP



**DRAFT ELIGIBLE EXPENSES FOR
THE COORDINATED COMMUNICATIONS INFRASTRUCTURE FUND**

Eligible project expenses that may be included in the total project budget include but are not limited to:

- Salaries and overheads, consultancy/facilitation fees and project management fees
- Establishment of the necessary infrastructure to develop and roll out the project
- Specialist and/or technical services through sub-contractors
- Domestic travel, accommodation and hospitality expenses directly related to project activities
- Conducting meetings or workshops and associated facilitation costs
- Audit fees.

**DRAFT INELIGIBLE EXPENSES FOR
THE COORDINATED COMMUNICATIONS INFRASTRUCTURE FUND**

Funding will not be provided to:

- Support activities not identified as an integral part of the project and outlined in the budget approved by NOIE
- Undertake scoping studies
- Activities undertaken prior to the signing of the funding agreement.

Note – In-kind contributions must be included at cost.