



Australian Government

Department of Broadband,  
Communications and the Digital Economy

## Digital Local Government Program

### DRAFT PROGRAM GUIDELINES

#### ROUND ONE

*These draft guidelines were released for consultation on 25 August 2011 as a basis for stakeholder consultation on the development of the Digital Local Government program.*

*Comments on the draft guidelines are sought by 9 September 2011.  
Final guidelines are expected to be released on **[the nominated date]** 2011.*

*These draft guidelines should not be used to develop projects or submissions for funding.*

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## **Executive summary**

These draft program guidelines for the Digital Local Government (DLG) program were released on 25 August 2011 for public consultation. Comments on these draft guidelines are sought by 9 September 2011.

It is expected that final program guidelines will be released on **[the nominated date]**, following consultations and consideration of comments received.

At that time, the Department of Broadband, Communications and the Digital Economy (the department) will seek Round 1 funding proposals from the following local councils:

- Armidale Dumaresq Council, New South Wales
- Circular Head Council, Tasmania
- City of Onkaparinga, South Australia
- Dorset Council, Tasmania
- Kiama Municipal Council, New South Wales
- Moreland City Council, Victoria
- Sorell Council, Tasmania
- Townsville City Council, Queensland.

The above councils may individually prepare project proposals; however, they are strongly encouraged to partner with other eligible councils (and with the private sector) to increase the total funding pool and expertise available per project.

Councils and private sector organisations/vendors may join an existing consortium at any time prior to the execution of the project funding agreement.

Funding is available to each local council, or consortia of councils, to assist with projects that will contribute to the program objectives, meet the program's funding criteria and represent efficient, effective, ethical and economical use of Australian Government funds.

The department will administer the program and provide ongoing assistance and expertise to councils during the preparation of project proposals for funding.

## **Digital Local Government program**

### **Overview of the Digital Local Government program**

The Digital Local Government (DLG) program provides funding to local governments in communities that first benefit from the high-speed services which the National Broadband Network (NBN) will provide. The DLG program assists local governments in these communities to deliver innovative online services—in particular, to homes and businesses.

The program encourages the development of online services that are replicable and scalable, and which other local governments across Australia can adapt for their purposes as the NBN is rolled out to them. It has the potential to encourage a step change in the quality, availability and speed of local government services.

Each of the local councils in the 40 communities in the NBN early rollout sites is encouraged to submit a detailed proposal for funding under the DLG program. Round 1 will include the first eight councils representing communities in the NBN first-release sites, as listed in Section 4 of these guidelines.

Local councils are encouraged to partner with private sector vendors and/or form partnerships/consortia with other eligible local councils. By forming consortia, councils will access a larger pool of funds to enable the collaborative development of NBN-enabled services to meet common objectives across the collective communities.

Each council (or consortium of councils) must submit a business case for funding to provide transparency and consistency in funding allocation. The business case template is included at Section 11 of these guidelines.

### **Context**

The DLG program contributes to the Australian Government's vision that Australia will become a leading global digital economy by 2020. In particular, the program contributes to the digital economy goal that by 2020 four out of five Australians will choose to engage with government through the internet or other type of online service.

Further information on the Australian Government's National Digital Economy Strategy is at Section 9 of these guidelines.

### **Objective**

The DLG program provides funding to develop methods for using the high-speed broadband connectivity and ubiquity of the NBN to improve the quality, availability and timeliness of local government services in the early NBN rollout site areas.

The objective of the program is to develop NBN-enabled online local government services that other local councils can adapt for their own use. As such, there is an emphasis on developing solutions which are replicable (capable of implementation by other local councils) and scalable (able to expand as the NBN rollout continues).

## **Purpose of these guidelines**

These guidelines provide an overview of the DLG program for potential funding recipients.

They outline the:

- purpose, scope, objectives and desired outcomes of the program
- available program funding
- type and scope of projects that the program will fund
- local councils that are eligible for program funding
- process by which eligible local councils will receive funding, including the information that is required
- associated time frames
- basis of funding decisions
- governance arrangements that will apply to the program administration.

Note: A final version of these guidelines will be published when comments received through the consultation process have been considered. The final guidelines will govern the development and funding of projects under Round 1 of the program.

## **Role of the department**

The department will assist councils (or consortium of councils) by:

- assisting in the collation of comments on the draft guidelines and proposed program processes, including facilitating workshops with relevant stakeholders
- facilitate the formation of consortia of local councils
- assist each local council (or consortium of councils) in determining its preferred projects, including through the provision of technical expertise
- provide assistance to local councils in developing their project proposals and business cases for funding
- assist local councils in the selection and acquisition of their preferred vendors, including potentially by managing a tender/procurement process on their behalf

## **Contact the department**

Further information on the DLG program is available on the department's website at [www.dbcde.gov.au/digitallocalgov](http://www.dbcde.gov.au/digitallocalgov).

Please make enquiries to the department regarding the DLG program via:

Telephone: 02 6271 7165

Email: [digitallocalgov@dbcde.gov.au](mailto:digitallocalgov@dbcde.gov.au)

## **Funding**

### **Total funding**

The \$17.1 million DLG program will provide funding over the three years ending 30 June 2014 to local councils in communities that first benefit from the NBN.

The Department of Broadband, Communications and the Digital Economy administers the program and will make funding available through staged rounds, according to the NBN rollout schedule.

Total funding available under Round 1 of the program is \$3 million.

### **Funding criteria**

The DLG program does not involve a competitive selection process. It will fund eligible local councils to develop high-quality projects that will contribute to the program's objectives, meet all the funding criteria and represent efficient, effective, ethical and economical use of Australian Government funds.

The criteria against which the department will assess business cases are included in the business case template at Section 11 of these guidelines. Each criterion has equal weight.

### **Funding per local government**

Funding is available to each local government (or council/consortium of councils) to assist with projects that will contribute to the DLG program objectives. The program provides funding of up to \$375 000 (excluding GST) to each of the local councils representing the communities that first benefit from the NBN.

Councils are encouraged to partner with private sector vendors and/or form partnerships with other eligible councils to access a larger pool of funds to develop projects collaboratively to meet common community objectives. Forming a consortium will also have the advantage of providing better value for money through economies of scale.

A consortium of councils will receive funding according to the number of councils participating. For example, a consortium consisting of six councils (and possibly private vendor/s) could apply for funding of up to \$2.25 million (that is, 6 x \$375 000).

While councils may apply for funding individually or as part of a consortium, they cannot do both. Councils that wish to apply for funding independently should consider the implementation process and discuss with the department the appropriate application.

A council funded under Round 1 of the DLG program cannot apply for funding under a subsequent funding round.

Grant payments made under the DLG program will be linked to the achievement of milestones described in the grant funding agreement. A template of the funding agreement is at Section 11 of these guidelines.

## **Local government contribution**

Each council or consortium must contribute a minimum of 25 per cent of the total estimated project cost from sources other than the Australian Government. A council contribution may consist of cash, or in-kind contributions, or a combination of both.

As part of their project business cases, councils must specify the precise nature and value of contributions they will provide. They must use realistic market-based rates to value in-kind contributions, including labour.

Councils cannot claim funding for previous costs associated with purchasing and/or establishing existing council infrastructure, equipment or facilities.

## **Examples of potentially funded projects**

Some examples of potential projects for which the DLG program could fund development include the following:

- A platform to host online video-based community forums on topical issues such as major development proposals. This would have the potential for enabling a larger number and wider cross-section of interested residents to participate in local government consultative processes.
- Enhancing or replacing an existing council service with an online service delivered to the home via the NBN. For example, many councils are responsible for the delivery of health care advice to assist new parents. This service involves maternal and child health nurses visiting parents to provide advice and support on issues with newborns such as sleep and settling difficulties. In some instances, the parents may have to visit the healthcare centre. If some of these consultations could be delivered via video conference using the NBN, it would be possible to deliver more timely advice, reduce travel costs and increase convenience.
- Local government services to the home using cloud-based applications that require significant bandwidth and assured levels of stability. The use of cloud-based services would ensure that councils always had access to the latest applications and could easily scale up services at periods of high demand.
- A video streaming platform that could help promote local tourism, events and businesses and which potential customers could access anywhere.

It is important that each proposed business case includes a clear strategy to ensure the ongoing financial viability of the project beyond the funded period, which ends on 30 June 2014.

## **Funding agreement**

Councils approved for funding under the DLG program must enter into a funding agreement with the department. An example of a program funding agreement is at Section 11 of these guidelines.

The department will only provide program funding on the terms specified in the funding agreement. The department 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 department consider such conditions

necessary to protect the Commonwealth's rights and interests under the funding agreement. The department will assess the need for and extent of such conditions on a case-by-case basis.

The department reserves the right to communicate tailored requirements at the time it notifies a council of the success of its proposal for funding. The funding agreement schedule for each approved project will specify the reporting requirements and the progress milestones required for each grant payment.

### **Future funding rounds**

The department will announce further funding rounds for the DLG program. It may amend the guidelines to reflect the aims and desired outcomes of any future funding rounds.

### **Eligible local councils—Round 1**

Funding is available under Round 1 of the DLG program for the development of projects which use NBN-enabled high-speed broadband. This will initially assist up to eight local councils representing communities in NBN first-release sites to deliver online services that take advantage of the NBN.

For eligibility for funding under Round 1 of the DLG program, a local council (or each council within a consortium) must:

- represent one or more of the eight communities listed below and have (or will have) access to NBN-enabled broadband services
- be incorporated in its own right under a law of the Commonwealth, state or territory
- have an ABN, and
- comply with relevant Australian laws (such as Equal Opportunity for Women in the Workplace, other anti-discrimination laws, privacy laws).

The eight local councils (and the communities they represent) are:

- Armidale Dumaresq Council (Armidale, New South Wales)
- Circular Head Council (Smithton, Tasmania)
- City of Onkaparinga (Willunga, South Australia)
- Dorset Council (Scottsdale, Tasmania)
- Kiama Municipal Council (Kiama, New South Wales)
- Moreland City Council (Brunswick, Victoria)
- Sorell Council (Midway Point, Tasmania)
- Townsville City Council (Townsville, Queensland)

### **Timing**

The department will consult with relevant stakeholders and request comments on these draft guidelines by 9 September 2011. Following consideration of comments received, the

department will release the final program guidelines on [the nominated date] and invite eligible councils to develop and submit project proposals for funding under Round 1 of the program.

Subsequent funding rounds will seek business cases for funding from further local councils as the NBN is rolled out to those communities.

## **Key project stages**

There are six key project stages to the Digital Local Government (DLG) program:

- Stage 1—Consultation and decision on service(s) for delivery
- Stage 2—Development and submission of a project business case
- Stage 3—Assessment and approval of a project business case
- Stage 4—Agreement to funding arrangements
- Stage 5—Procurement of services
- Stage 6—Project commencement, delivery and reporting

Detailed information about the above six stages is provided below.

### **Stage 1—Consultation and decision on service(s) for delivery**

#### ***Consultation with councils***

Following the release of the draft DLG program guidelines, the department will organise a workshop with the eight eligible councils to discuss the guidelines, including the nature of projects which may receive funding under the program and consideration of consortia formation.

#### ***Decision on project service(s) for delivery***

Following consultation, councils will need to decide on the services they wish their projects to deliver. This will involve specifying the general features and functionality of the platform to deliver the new service(s). In turn, these will inform the subsequent approach to market (possibly by the department on behalf of a council consortium).

#### ***Formation of consortia***

Eligible councils are encouraged to form a consortium with other eligible councils and work collaboratively to develop service solutions that benefit the communities they collectively represent.

There are many benefits for councils in forming project consortia, including:

- access to a larger of pool of project funds
- increased value for money through economies of scale
- enabling project services to meet common community objectives
- providing access to other councils' project management and technical expertise.

Councils may consider that their circumstances warrant proceeding on an individual basis; however, they are encouraged to decide as early as possible (by no later than **[the nominated date]**) whether they wish to join a consortium or to proceed individually.

### ***Key stage 1 activities***

- Determine the service(s) the project will deliver.
- Establish the project entity (consortium) where appropriate.

## **Stage 2—Development and submission of a project business case**

### ***Development of a project business case***

Once each applicant has agreed on the services it wishes its project to deliver and the structure of its entity (whether as an individual council or consortium), it will need to prepare and submit a project business case for funding. In the case of a consortium, it is recommended that one council take the role of project leader and become the key point of contact for the department to discuss the proposal on behalf of the members.

The department will work closely with councils or consortia to develop their project business cases. Specific information required in a project business case is outlined at Section 11 of these guidelines, along with the required template.

### ***Submission of a project business case***

The closing date for submitting project business cases for funding under Round 1 of the Digital Local Government program is **[the nominated date]**. The department will exercise its discretion in deciding whether to accept any business case received after this time.

Councils that do not submit a business case for Round 1 funding will be eligible to submit a business case in later funding rounds.

Councils whose business cases are not approved for funding will be eligible to submit a business case in later funding rounds.

### ***Declaration of understanding***

In addition to submitting a project business case, councils/project leaders must sign a declaration that:

- the necessary governance arrangements are in place to enable the project to proceed (as agreed by the department)
- they are authorised to provide information on the project proposal on behalf of all consortium partners (where appropriate)
- the DLG program funds will not be used for facilities or infrastructure established prior to the execution of a project funding agreement
- the information provided in the business case is complete and correct
- they have read, understood and comply with DLG program guidelines
- they understand that the guidelines do not form an offer of funding from the department on behalf of the Australian Government.

### ***Key stage 2 activities***

- The council (or consortium) submits a project business case and declaration of understanding by **[the nominated date]**.

### **Stage 3—Assessment and approval of a project business case**

Following the closing date for funding applications, a departmental assessment panel will assess the project business cases for compliance with the specified program funding criteria (outlined in Section 11 of these guidelines), taking into account comments and advice provided by:

- other Australian Government agencies
- business and technical advisers
- legal advisers
- the department's process/probity adviser.

If the assessment panel considers that information submitted in the business case is inadequate, the department will contact the council (or consortium) to provide the opportunity to address the concern.

When the assessment panel is satisfied that the business case meets all requirements, it will recommend the project for funding. The Minister will determine which projects are approved, the level of funding for each successful council, and any conditions of funding.

Note: Business cases submitted are not guaranteed to be recommended and/or approved for funding, even where the department assists the council in their preparation, and even where the assessment panel invites a council to address its concerns with the initial business case.

### ***Key stage 3 activities***

- A formal assessment of project business cases against the funding criteria.
- Recommendations submitted and approval received from the Minister for Broadband, Communications and the Digital Economy by **[the nominated date]**.

### **Stage 4—Agreement to funding arrangements**

At this stage, councils approved for funding under the DLG program must enter into a formal funding arrangement with the department (acting on behalf of the Australian Government).

The outcomes of the first four stages will be integrated into project funding agreements, with grant payments linked to the successful achievement of specified milestones, including agreed reporting requirements.

### ***Key stage 4 activities***

- Establishment of funding agreements by **[the nominated date]**.

## **Stage 5—Procurement of services**

Once funding is approved and a funding agreement is signed, the lead council and the department may jointly undertake a tender process on behalf of (and in consultation with) other councils in the consortium to procure the necessary equipment and services for the project.

For councils that have elected to proceed independently, the department will need to agree to the proposed methodology for procuring the required equipment and services.

### ***Key stage 5 activities***

- Agreement on the method of engaging the services of vendor(s).
- Tender documentation released publicly by [the nominated date].
- Selection of vendor(s).

## **Stage 6—Project commencement, delivery and reporting**

### ***Reporting***

Following commencement of projects, councils must provide the department with project progress reports and participate in evaluations of their projects and the program. Progress reporting requirements will include demonstration of how the projects are meeting their objectives.

The project funding agreement will outline specific reporting requirements, which will be linked to payment of grant funds. Progress reports and the evaluation of projects may be used to inform the development of guidelines for future DLG funding rounds.

### ***Key stage 6 activities***

- Procurement, acquisition and integration of agreed platforms into council operating environments.
- Delivery of new online services provided by the funded projects.
- Initial community benefits of projects commence being realised from June 2012.

## **Additional information**

### **Accountability and probity**

The department is committed to ensuring that the process for selecting and approving local councils for grants under the DLG grant program is fair and in accordance with these guidelines.

The government needs to meet relevant public accountability criteria for its investment, in particular:

- the *Financial Management and Accountability Act 1997* and related regulations, which require the proper use of government resources (where 'proper' means the efficient, effective, ethical and economical use of funds in a manner that is not in contradiction to government policies)
- the Commonwealth Grant Guidelines, which establish a range of probity and reporting requirements, including that the administration of the grant achieves efficient, effective, ethical and economical use of Australian Government funds and is designed to achieve value for money.

### **Conflict of interest**

Members of the assessment panel members must report any potential, actual or perceived conflict of interest that arises from their involvement in the assessment process and, where appropriate, excuse themselves from involvement in assessing applications where any person involved in the project is known to them.

### **Review of decision**

An applicant wishing to seek a review of the decision relating to an application should contact the department at [digitallocalgov@dbcde.gov.au](mailto:digitallocalgov@dbcde.gov.au) within two weeks of the issue of notification of the decision. The department will review that decision internally and notify the applicant of the outcome of the review.

An applicant who is dissatisfied with the review may contact:

The Commonwealth Ombudsman  
GPO Box 442  
Canberra ACT 2601  
Telephone: 02 6276 0111  
Toll free: 1300 362 072  
Website: [www.ombudsman.gov.au](http://www.ombudsman.gov.au)

Applicants may also seek judicial review of decisions under the *Administrative Decisions (Judicial Review) Act 1977* or the common law, and should seek their own legal advice in relation to this.

### **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 department will notify all potential applicants in this event.

A party submitting a project business case proposal for funding must acknowledge that neither these guidelines, nor any project proposal/application, give rise to a funding agreement or any other agreement.

### **Background checks**

Local councils/project leaders should ensure that, where appropriate, personnel involved in the project have undergone background checks—including checks of financial viability or criminal records—to determine the good character and business reputation of the project leader and its staff and any consortium members and their staff.

The department may undertake further checks on local councils/project leaders; consortium members and companies associated with the project leader and/or any consortium members which are corporations. It may also undertake consultations with other relevant parties regarding any application for funding. The department may also conduct checks to obtain any relevant information not disclosed in an application.

In addition, when making a decision to recommend funding, the department may take into account any debts that the applicant has accrued to the department or other government agencies.

The department reserves the right to use information from:

- the department's databases
- other government agencies, such as the Australian Taxation Office and Australian Securities and Investments Commission
- state or territory agencies
- law enforcement agencies
- credit reference agencies
- courts or tribunals
- any other appropriate organisation, or person reasonably required as part of these checks.

Business cases must include full corporate and ownership details of the entity that seeks the funding. In the case of a consortium, please provide such details for each member.

### **Confidentiality**

By submitting a proposal for funding, a council (or consortium of councils) agrees to the Commonwealth and its advisers using, reproducing, adapting, modifying and developing such information for the purposes of the assessment processes and, to the extent necessary, the council licenses the government and its advisers to do so.

For the purpose of assessing applications, some or all of the information provided in the applications may be disclosed to officers of the department and relevant government departments and agencies. The department may also provide information to contracted advisers on legal, financial, technical and other aspects of the applications. The department

will only use information provided in applications for the purpose of assessing the applications.

The department is accountable to the Australian Parliament and to the public in respect of all aspects of the program. The department may need to disclose details of applications to the responsible Minister, Parliamentary Committees, or the Auditor-General, as required by law.

An applicant should identify any confidential information provided in a project business case that the applicant wishes to be treated as such.

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

- that disclosure is required by law
- disclosure is required to meet the reporting or accountability requirements of the department or its Minister 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.

### **Privacy of individuals**

The department will handle and protect personal information of individuals, including documents containing personal information, in accordance with the provisions of the *Privacy Act 1998*, which sets standards for the collection, storage, use and disclosure of personal information.

The department will disclose personal information only with the permission of the individual to whom it relates, or where the Privacy Act allows.

### **Intellectual property**

DLG program funding recipients must ensure that appropriate intellectual property licensing arrangements are in place to enable:

- the Commonwealth of Australia (as represented by the department) to, as considered appropriate, license any intellectual property generated by the project to other councils
- the local council itself to scale-up the project (that is, to meet the program objective for projects that are scalable)

## **Compliance with laws**

Local councils funded under the DLG program must comply with all applicable laws of the Australian Government and state and territory governments.

The department will not provide legal advice to local councils or any other parties. All parties should seek their own independent professional advice on all legal matters including compliance with any statutory obligations.

## **Liability Issues**

The department is not liable to the applicant in relation to the selection process, including without limitation, when the department:

- varies or terminates all or any part of the selection process or any negotiations with the applicant
- decides not to fund any or all of the activities sought through the selection process
- varies the selection process
- exercises or fails to exercise any of its other rights under, or in relation to the application guidelines.

## **Disclaimer**

The department and its officers, employees, agents and advisors:

- are not, and will not be, responsible or liable for the accuracy or completeness of any information in or provided in connection with the guidelines and associated forms
- make no express or implied representation or warranty that any statement as to future matters will prove correct
- disclaim any and all liability arising from any information provided to the applicant, including, without limitation, errors in, or omissions contained in, that information
- except so far as liability under any statute cannot be excluded, accept no responsibility arising in any way from errors or omissions contained in any information in the guidelines and associated forms
- accept no liability for any loss or damage suffered by any person as a result of that person, or any other person, placing reliance on the contents of the guidelines and associated forms, or any other information provided by the department.

## **Fraud prevention**

The department is committed to the Commonwealth Fraud Control Guidelines. Applicants should familiarise themselves with the department's Fraud Control Policy Statement (which it can provide upon request). This also underpins their respective fraud and risk minimisation responsibilities when dealing with the department.

Giving false or misleading information is a serious offence under the *Commonwealth Criminal Code Act 1995*.

## **Goods and Services Tax (GST)**

For all tax-related matters (including GST), all parties should seek independent professional advice or contact the Australian Taxation Office.

## **Acquittal**

Funding recipients are required to provide the department with an annual audited acquittal of funds. This will include a signed declaration of financial acquittal, confirming that all funds were fully expended for the purposes of the project.

Funding recipients must return any unspent funds to the department.

## **Program evaluation**

The DLG program will be evaluated against the key performance indicators (KPIs) identified below and as those agreed with councils. The department will use the KPIs to monitor, measure and report on progress, outputs, outcomes and benefits of each project and the DLG program overall.

Recipients of funding under the DLG program must participate in program reviews and evaluations. Funding recipients will need to establish baseline data for measuring project and program progress. Baseline data should be included in the project business case and subsequently form the basis of project progress reports.

The department will conduct a mid-term review of the DLG program in late 2012. It will review the project reports and will assess the project and program progress against the agreed KPIs. The review will provide early feedback on the project's progress towards meeting the DLG program objectives. The department will conduct a final program evaluation in the final year of the DLG program.

## **Key performance indicators**

The department will use the following KPIs to measure and report on the DLG program progress, outputs and benefits.

- KPI 1: The extent to which the funded NBN-enabled services are implemented by the local councils and made available for members of their communities.
- KPI 2: The extent to which the funded NBN-enabled services are used by the target clients, the level of satisfaction with the services provided, and the efficiency gains that are realised through the delivery of the services.

## National Broadband Network

By providing reliable, ubiquitous high-speed broadband to all of Australian premises, the NBN is an essential first step towards positioning Australia as a leading global digital economy by 2020. The NBN's critical characteristics include the following.

- Support for high-speed download and upload services. These are essential for applications such as high-definition videoconferencing and are not available on current broadband networks in Australia. The NBN's capacity will enable households to simultaneously use a wider range of high-bandwidth applications without deterioration in service quality. It also means that small and medium-sized businesses, particularly those in regional Australia, will have access to increasingly sophisticated business applications and greater data storage capacity via cloud computing that, in the past, were only available to larger companies.
- Stability/reliability of service and capacity for future upgrades. Some applications, particularly health applications, rely on assured levels of stability/reliability of connection to a minimum level of internet speed and capacity. It is for these reasons that many of these applications are currently only used between larger hospitals that already have access to high-speed broadband. The NBN has the potential to extend a wider range of online health applications to the home and the local general practice surgery environment.
- Ubiquitous coverage. All Australians will have access to the NBN—no one will miss out. This will provide a sufficiently large customer base to justify development and deployment of advanced services and also maximises the potential network benefits for all customers. In Australia today there is a multiplicity of broadband access technologies such as HFC cable, ADSL, ADSL2+, fixed and mobile wireless and satellite—each offering quite different characteristics. By introducing a minimum ubiquitous service of at least 12 megabits a second to all premises in Australia, the NBN will enable new and enhanced common service standards in healthcare, education and government service delivery.
- Uniform national wholesale pricing. The NBN will offer services at a uniform national wholesale price, which will give every community in rural and regional Australia the opportunity to get fairer access to affordable high-speed broadband. While retail pricing levels is a matter for retail service providers that use the network, it is anticipated the level and range of retail prices will be comparable to prices in the market today, while providing a better service.

A network with these characteristics accessible to households and businesses throughout Australia provides a platform for developing and deploying new services and applications that can exploit these features.

## **National Digital Economy Strategy**

The National Digital Economy Strategy outlines the Australian Government's vision for Australia's digital economy. The government's aim is that by 2020 Australia will rank among the world's leading digital economies. Ensuring that Australia becomes a leading digital economy will contribute to Australia's productivity, maintain our global competitiveness and improve our social wellbeing. The government's commitment to build the enabling infrastructure for the digital economy, the NBN, is a key step towards this vision.

The government has set eight digital economy goals that focus on the areas of:

- online participation by Australian households
- online engagement by Australian businesses and not-for-profit organisations
- smart management of our environment and infrastructure
- improved health and aged care
- expanded online education
- increased teleworking
- improved online government service delivery and engagement
- greater digital engagement in regional Australia.

Information about the National Digital Economy Strategy is available at [www.nbn.gov.au/the-vision/digitaleconomystategy](http://www.nbn.gov.au/the-vision/digitaleconomystategy).

## Templates

### Letter advising interest in program

Official letterhead

Digital Local Government program  
Attention: Assistant Secretary  
Regional and Indigenous Communications Branch  
Department of Broadband, Communications and the Digital Economy  
GPO Box 2154  
CANBERRA ACT 2601

[Please insert date]

Dear Assistant Secretary

#### Digital Local Government program Round 1

I wish to advise that the *[insert name of local council]* plans to participate in Round 1 of the Digital Local Government (DLG) program.

The council intends to develop its business case for funding and implement its project as a member of a consortium *[independently of other local councils—amend if required]* with the *[insert name(s) of other council(s)]*.

The council/consortium *[amend as required]* intends to participate in the DBCDE-assisted engagement process *[independently of the DBCDE-assisted engagement process but will provide its draft business case any procurement documentation for DBCDE consideration as required—amend as required]*.

Yours sincerely

*[Insert name, position and date]*

## Letter attached to proposed business case for funding

Official letterhead

Digital Local Government program  
Attention: Assistant Secretary  
Regional and Indigenous Communications Branch  
Department of Broadband, Communications and the Digital Economy  
GPO Box 2154  
CANBERRA ACT 2601  
[date]

Dear Assistant Secretary

### Digital Local Government program Round 1

I am seeking a grant under Round 1 of the Digital Local Government (DLG) program to assist with the proposed project, *[insert project title]*. Details of the project are as described in the attached Business Case—Local Government Online Services.

I confirm that:

I am authorised to submit this business case on behalf of the *[insert name of local council or list consortium members (the consortium)]*.

The information provided in the attached business case, the attached statement of compliance and any other supporting documents is complete and correct.

The project budget does not include funding for existing infrastructure or facilities or infrastructure or facilities established prior to the execution of a project funding agreement. *[I/The consortium members]* understand that providing false or misleading information to the Australian Government may create an offence under Part 7.4 (Division 136) of the Criminal Code.

*[I/The consortium members]* have read understood and comply with the DLG program Round 1 guidelines including the information for interested parties at Section C.

*[I/The consortium members]* confirm that personnel involved in the proposed project have undergone background checks, including checks of financial viability or criminal records, where appropriate to determine the good character and business reputation of the *[insert name of local council or list consortium members]* and *[its/their]* staff as outlined in the DLG program guidelines.

*[I/The consortium members]* have read the guidelines and understand that the DLG program Round 1 guidelines are not an offer on the part of the Australian Government nor do they create any obligation on the part of the Australian Government to enter into a commercial or any other relationship with any party.

*[I/The consortium members]* understand that DBCDE will have the right (but is not obliged) to act in reliance upon the contents of the business case for funding, including any associated material.

DBCDE may provide the information in the business case to other persons (in confidence) where this is necessary for the conduct of the assessment process.

*[I/The consortium members]* will regard all communication with DBCDE as confidential and not disclose its contents without prior written consent from DBCDE.

*[name, position and date]*

## Consortium member statement

Official letterhead

Digital Local Government program  
Attention: Assistant Secretary  
Regional and Indigenous Communications Branch  
Department of Broadband, Communications and the Digital Economy  
GPO Box 2154  
CANBERRA ACT 2601  
[date]

Dear Assistant Secretary

Re: Digital Local Government program Round 1

I am writing to confirm that the [insert name of organisation] supports the business case for funding submitted by [insert project leader] to assist with the [insert title of project].

[Content here should include:

An outline of the organisation's role in the project

A clear statement of the type of the organisation's contribution to the project (that is, cash and/or in-kind)

The amounts/value of the contribution in dollars. This outlines the minimum requirement only. Please add any additional relevant information.

*Show cash and in-kind contributions in the following manner.]*

Item (examples only)	Value (excluding GST)
Capital equipment (details)	
Other costs (details)	
Project management	
Total	

*[The amounts listed should reconcile with the amounts as included in the project budget.]*

*[Name, position and date]*

*[The signatory should be the CEO of the organisation contributing to the project.]*

## **Project business case**

To apply for funding under the DLG program councils must submit to the department a project business case which provides detailed information about the proposed project, including:

- overall objectives of the project
- the proposed project governance and management arrangements for the council (or council consortium members) seeking funding
- identification of any other stakeholders
- description of the features and functionality of the NBN-enabled service(s) which the proposed project will deliver
- description of how the NBN will enable the project
- description of the benefits the project will deliver to each council in the consortium
- how the project will be scalable and replicable (quantified where possible)
- description and quantification of the existing council service delivery mechanism(s), including how the service is delivered currently and data around the costs, frequency and quality of the current mode of delivery
- expected time frame to build, test and deliver the replacement approach to delivering the service(s) using the NBN
- project methodology, including change management approach
- identification of potential risks and mitigation plan for major risks
- estimated cost of implementing the project
- the total amount of funding sought for the project
- agreement from council (or consortium) to contribute a minimum of 25 per cent of the total estimated project cost from sources other than the Australian Government (cash or in-kind)
- post-project management strategy

## **Business case assessment criterion**

The department's assessment panel will assess the business case to establish that the above information is provided and make a determination as to whether the proposed project meets the program objectives, is an effective, efficient, ethical and economical use of program funding and represents value for money for the government.

## **Structure of business case**

- The council's project business case will be structured into 10 key sections as follows.

### ***Section 1—Summary of goals and objectives of project***

This section will include:

- a list of goals and objectives of the project.

Funding criterion: Identification of the high-level benefits of the project.

- The project will have the clear potential to either enhance existing online services or replace an existing service that is not delivered online, taking advantage of the NBN to provide efficiency gains. Projects will include at least one service that highlights the benefits of NBN-enabled high-speed broadband, particularly a service to the home or business that existing broadband infrastructure cannot readily provide.

### ***Section 2—Detailed features and functionality of service(s)***

This section will include:

- information (including data on time and cost) regarding the existing service delivery method
- outline of the proposed new service delivery method, including the features and functionality of the proposed service and data on estimated time and cost of delivery
- comparative analysis between the existing and proposed new service delivery method
- key elements of the project design and technology.

Funding criterion: Identification of key features and functionality of the service(s).

- The business case will provide information regarding existing service(s) provided by the council(s) and compare this with the features and functionality of the same service(s) delivered using the NBN.

### ***Section 3—Service delivery system design***

This section will include:

- key dependencies required for the service delivery system to work, including regulation, training needs, structural factors, capacity of current platforms
- assessment of the feasibility of moving to the new service delivery system (that is, from a small trial to the whole council/consortium population)
- areas where technology deployed for the project can be applied in areas outside the scope of the project (that is, how the project is replicable and scalable).
- demonstration that appropriate intellectual property licensing arrangements are in place which will enable the department to licence any intellectual property generated by the project to other local governments (if applicable).

Funding criterion: Demonstration that the project is scalable and evidence that other councils can replicate the services(s).

- The project is scalable—that is, the service(s) should expand as the NBN becomes available to further members of the community(s). It will also need to have capacity for replication by other local councils and include an appropriate IP commercialisation plan and IP ownership licensing model.

### ***Section 4—Expected cost of implementation***

This section will include:

- identification of all costs of implementing the project, including acquisition and procurement, operations and maintenance and end-of-life management for equipment purchased

- details of the contributions (cash and/or in-kind) from the council(s) (totalling a minimum of 25 per cent of the total project budget)
- details of the bank account or other method of identifying project financial transactions
- a list of any assets to be purchased
- identification of ongoing resource costs of the project
- details of the strategy to ensure the ongoing financial viability of the project.

Funding criterion: Project budget.

- A robust project budget is required, which includes local council contributions and a specification of how the grant funding will deliver the project.
- At least 25 per cent of the estimated total budget for the proposed project will need to comprise co-contributions (cash or in-kind) from an individual local council applicant or from consortium members.
- In cases where councils establish a consortium/partnership to develop and implement a project, the maximum grant funding will amount to (\$375 000 excluding GST) per eligible council.

### ***Section 5—Identification of benefits***

This section will include:

- quantitative and qualitative benefits of the project, including a definition of project success
- a description of the extent to which the NBN will enable the project
- a list of metrics for evaluation during the project, their definitions and expected changes in each metric
- baseline data for each metric to inform progress and evaluation
- how the metrics will be assessed and benefits proven, including:
  - the data management approach
  - what data is needed and where it is
  - who is accountable for measurement
- a preliminary assessment of potential benefit to Australia if scaled up.

Funding criterion: Measurable benefits.

- The project will identify the relative benefits of the new service(s), as well as the methodology used to achieve the claimed benefits.

### ***Section 6—Change management approach***

This section will include:

- a summary of the approach
- identification of affected stakeholders, and a stakeholder management plan
- the case for change for major stakeholders

- assessment of incentives required to support the change
- the buy-in and awareness raising strategy
- identification of stakeholder training needs.

Funding criterion: Stakeholder management methodology.

- The business case will identify how the council (or consortium) will communicate with relevant stakeholders, including encouraging adoption of the community services.

### ***Section 7—Project plan***

This section will include:

- the time frame to build, test and launch the project
- KPIs and deliverables
- project milestones
- the proposed progress reporting and final report schedule
- payment milestones and time frame for payments
- a list of the project team members, including their time commitments and specific roles and accountabilities
- project duration.

Funding criterion: Timely delivery.

- The project must become operational by the end of-June 2012. New online services delivered by the project should be capable of evaluation before end-June 2013.
- Design of the project should include how it will continue beyond the period of funding support.

### ***Section 8—Risks***

This section will include:

- identification of potential risks
- prioritisation of risks
- risk mitigation plan for major risks
- strategies for managing budget constraints
- who is accountable for managing each risk
- details of workers compensation insurance, public liability insurance and other relevant insurance policies.

Funding criterion: Governance and project risk management.

- The project will include a comprehensive business plan, identifying key implementation and delivery risks and strategies for mitigating such risks.
- The project will also describe the internal reporting and governance arrangements/procedures.

### ***Section 9—Governance***

This section will include:

- details of internal council reporting and governance procedures for audit and fraud control purposes.

Funding criterion: Governance and project risk management

### ***Section 10—Post-project period management strategy***

This section will include:

- a plan for continuation of the project after the project period, including local council resource commitments after the period in which funding is available from the department
- a description of the steps required for further rollout in region or for another council
- an intellectual property commercialisation plan which will enable the department to licence any intellectual property generated by the project to the public under an Open Licence.

Funding criterion: Sustainability

- The project will include information how it will continue beyond the period of funding.

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## Statement of compliance

To ensure the timely negotiation and approval of funding agreements for successful project business cases, councils are required to complete the following statement of compliance when submitting their business cases.

### Format for the statement of compliance

Councils are required to use the format of the example table below when advising the extent of compliance with the DLG program draft funding agreement.

For each clause of the funding agreement where there is not compliance, the council/project leader must make an indication of the degree of compliance in the appropriate column, together with reasons (if any) for non-compliance or presentation of an alternate position.

Section	Partially complies	Does not comply	Reason or alternate position
Draft funding agreement (specify clause number)			

Provide the responses in the order in which the clauses appear, and refer to the relevant clause number. Non-committal terms such as 'Noted' are not acceptable.

Limit responses, wherever possible, to the following expressions.

Complies means:

- In the case of a clause which imposes a contractual condition, that the condition is agreed to.
- In the case of a clause which specifies a characteristic or performance requirement, that the requirement as specified will be provided.
- In the case of a clause which is of an informative nature only, that the clause was read and understood and is agreed.
- In the case of a clause where information is requested that the information was provided in the required level of detail and in the required format.
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Does not comply means:

- That the contractual condition, characteristic or performance requirement of the clause is not met. State the full details of the extent of non-compliance, and provide a reason for non-compliance and a suggested alternative clause.

## **Funding agreement**

(Insert DLG funding agreement template)

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