



Submission on the Broadband Investment Fund

1. The trustees of the 2020 Communications Trust would like to thank the Ministry of Economic Development for the opportunity to comment on the Draft Criteria and Process for managing the Broadband Investment Fund.
2. The 2020 Communications Trust is a registered Charitable Trust, established in 1996 with the over-riding objective of ensuring that all communities, irrespective of their geographic and economic situation, have the opportunity to participate in the emerging digital economy. Our primary area of interest has been within New Zealand, but in recent years, we have also provided leadership in community ICT in Pacific Island countries.
3. While the main focus of our Trust is on the **capability** “c” of the Digital Strategy, we continue to find connectivity barriers and for this reason we welcome the Budget announcement by Government for a Broadband Investment Fund, especially for rural and under-served communities.
4. Our submission relates mainly to the Draft Criteria and Process for the **rural** sector.
5. The 2020 Trust has actively supported the development of wifi broadband infrastructure in the Tuhoe Community over a number of years and is currently supporting a community-driven wifi broadband initiative in Tokomaru Bay for families participating in one of our Computers in Homes clusters.
6. We encourage the Ministry to be flexible in terms of bandwidth requirements for rural communities. While fibre to the farm could perhaps be a long-term goal, our view is that much can be achieved in the meantime with wireless technologies, especially **low cost wifi technologies**, so these solutions should not be excluded from consideration.
7. We have collaborated closely with infrastructure suppliers willing to tackle the special challenges of developing rural telecommunications infrastructure, including Rural Link (Hamilton) and Colvins Communications Limited (Gisborne).
8. We support a **two-stage application process** but would like to make some specific suggestions about how this could work most effectively.
9. We believe the Expression of Interest (EOI) stage should be less concerned with capability to satisfy project criteria and readiness for implementation, but rather focus on the vision and dreams of communities. Communities should be invited to present a goal for broadband in their communities and clearly express why it is important to them. They should not be expected to have all the answers about how they could implement a broadband project.

10. We believe the EOI process implemented recently by the **ASB Community Trust** for Māori and Pasifika education provides a good model. The Community Trust set a clear goal “*we want to make a difference within the Māori and Pasifika communities of Auckland and Northland*”. They then indicated that the Trust was “*willing to fund innovative interventions that challenge the status quo.*” Communities were invited to submit “*a 400 word overview describing what they wanted to achieve and how it would benefit Māori and Pasifika communities*”. The Trust is currently reviewing some 300 EOIs received and will then invite a short-listed group of applicants to prepare a business plan, which they have also offered to work collaboratively with applicants to prepare.
11. We believe a similar process should be adopted for the Rural Broadband Investment Fund, noting that the communities that have the most to gain from broadband infrastructure will also have the least capability to prepare a persuasive bid to the fund.
12. We recommend the following guiding principles:
 - a. EOIs should be limited to a 400 word overview of the project scope and expected outcomes;
 - b. Short-listing should be based on the strength and clarity of the outcomes sought from the broadband infrastructure;
 - c. In consultation with the short-listed bidder, the Ministry should contract (and pay for) a consultant or adviser to work with the bidding community to develop a robust business case;
 - d. The guiding assumption should be that short-listed projects will be funded and not face a further contestable process; preparation of a business case is just a normal step in the process to identify partners, explain how the suggested assessment criteria will be met and determine the level of investment needed.
13. The Ministry might also like to consider whether there is a need for any specific timings for preparing the business case. Different communities will have different states of preparedness and capabilities and none should be excluded simply because they can't meet the imposed timings of a contestable process. It would in fact smooth the work load of independent evaluators to have business cases submitted progressively as they are completed.
14. This process is not based on “winners” and “losers”. If initial business cases are not sufficiently robust, constructive feedback from the evaluators should help bidders and their consultant advisers to revise and strengthen the plan; the guiding principle being that investments of time and energy being put into developing plans will not be wasted because of a funding “lottery”.
15. We feel that the Digital Development Forum (DDF) and Digital Development Council (DDC) could take a more active role in the Broadband Investment process. With due respect to the inter-departmental Digital Strategy Steering Group (DSSG), it is our view that one of the very reasons for establishing the new Forum and Council is to strengthen the expertise available to Government in making policy decisions. We suggest that the sub-group of the DSSG set up to evaluate proposals include experts from the Council/Forum.
16. In terms of rural and under-served communities, we consider that this is a particular area where the 2020 Communications Trust, as a member of the DDC, could engage and contribute.
17. We do not understand why the Ministry would wish to impose a \$500,000 investment limit on rural projects. In our view, it is better to wait for the business case and consider each request for investment on its merits rather than impose an arbitrary limit.

18. In terms of the applicant assistance, we also think this should be considered on a case by case basis. We believe costs in providing support for rural projects could be even higher than for urban projects because of travel costs and the lower levels of local capability.
19. We trust our comments are helpful and are willing to engage in an ongoing basis through the DDC as policies and processes are further refined for the Broadband Investment Fund.