

FACT SHEET

Regional Telecommunications Funding

Government funding support for telecommunications in regional Australia – now more than \$4 billion

The Australian Government has already invested more than \$1 billion in telecommunications services in regional and rural Australia alone. This targeted funding investment has supported the provision of important telecommunications infrastructure and services.

The Government has now announced a further \$1.1 billion for the *Connect Australia* program and a \$2 billion *Communications Fund* for the future. This new targeted funding package is a key element of the Government's strategy to future proof telecommunications services in regional Australia.

Connect Australia will roll out affordable broadband connections to people living in regional, rural and remote areas, extend mobile phone coverage, build new regional communications networks and set up vital telecommunications services for remote Indigenous communities.

The creation of the \$2 billion dedicated *Communications Fund* will support the Government's response to future reviews of telecommunications.

Earnings from the Fund will be available to respond to market failure in the provision of additional telecommunications services in regional, rural and remote areas.

Targeted funding support is a key element of the Government's policy framework for regional telecommunications and the provision of targeted funding to date has supported the development of sustainable improvements in services that specifically address market failures or act as a catalyst for industry development. The Government responds with targeted funding where needed.

Response to the Regional Telecommunications Inquiry

In 2003 the Australian Government provided \$181 million in response to the Regional Telecommunications Inquiry to:

- ⌚ Implement the \$107.8 million Higher Bandwidth Incentive Scheme which provides financial incentives to broadband providers to offer services in rural and remote areas at prices in line with those available in metropolitan areas;

- ⌚ Accelerate the roll-out of broadband into health and education services in regional Australia through the \$23.7 million Coordinated Communications Infrastructure Fund;
- ⌚ Provide \$8.4 million for broadband demand aggregators to coordinate all the likely demand for broadband services and to help drive broadband networks further out into lower populated areas;
- ⌚ Further extend mobile phone coverage to small population centres and along highways in regional Australia with funding support of \$15.9 million;
- ⌚ Expand the Satellite Phone Subsidy Scheme; and
- ⌚ Provide \$10.1 million for IT training and support services in rural and remote Australia.

Response to the Telecommunications Service Inquiry

In 2001, the Australian Government responded to concerns identified in the Telecommunications Services Inquiry with a package aimed at further improving telecommunications services in regional and remote Australia. The \$163 million response was used to:

- ⌚ Extend mobile phone coverage to 131 towns with populations over 500 and 55 towns with populations below 500 with funding support of more than \$40 million;
- ⌚ Support additional mobile phone coverage at 62 sites on regional highways at a cost of more than \$19 million;
- ⌚ Provide \$52.2 million for a National Communications Fund to develop high speed telecommunications networks to support the delivery of health and education services in regional Australia; and
- ⌚ Improve payphone and other services for remote Indigenous communities through the \$8.3 million Telecommunications Action Plan for Remote Indigenous Communities.

Networking the Nation and the Social Bonus

Networking the Nation (NTN) is one highly successful example of how the Australian Government has helped bridge the gap between urban and non-urban Australia in terms of the range, availability and cost of telecommunications and information technology services. The \$250 million NTN supported projects across regional, rural and remote Australia under NTN for activities designed to address a range of telecommunications needs in non-urban Australia, such as extending mobile phone coverage.

In 1999 the Government announced its Social Bonus package funded from the second partial sale of Telstra. The package included an additional \$174 million in funding for:

- ⌚ The Building Additional Rural Networks initiative to promote ongoing, sustainable improvements in regional telecommunications services;
- ⌚ A program to stimulate Internet service delivery in regional and rural Australia;
- ⌚ The Local Government Fund to assist local government authorities in regional Australia provide online access to information and services including the Internet;
- ⌚ Improved telecommunications access for remote islands communities; and

- ⌚ The extension of mobile phone coverage in regional areas.

Since 1997, NTN has approved 762 regional telecommunications projects around Australia. In 1999, the Australian Government also committed another \$150 million to provide untimed local calls to 40,000 customers living in the remotest 80 per cent of Australia. In addition, these customers have been given the opportunity to take up subsidised two-way high speed satellite Internet service

Regional Telecommunications Program Funding 1997-2009

(as at 17 August 2005) (figures rounded to nearest \$'000)

Program	Actual expenditure and commitments
Communications Fund	
Perpetual fund to support regional service reviews	\$2.0 billion
Connect Australia (2005)	
Broadband Connect	\$878.0 million
Clever Networks	\$113.4 million
Mobile Connect	\$29.5 million
Backing Indigenous Ability	\$89.9 million
Response to RTI – Estens (2003)	
Higher Bandwidth Incentive Scheme	\$157.8 million
Expansion of Terrestrial Mobile Phone Coverage	\$15.9 million
Expansion of Satellite Phone Subsidy Scheme	\$4.0 million
Training and Support in IT Skills	\$10.1 million
Coordinated Communications Infrastructure Fund	\$23.7 million
Demand Aggregation Brokers	\$8.4 million
National Broadband Strategy Implementation Group	\$2.9 million
Future proofing of regional services	\$1.9 million
ACA monitoring and reporting responsibilities	\$5.2 million
RTI Community Information Campaign	\$5.8 million
Implementation of other RTI recommendations	\$1 million
Response to TSI – Besley (2001)	
Towns over 500 program	\$23.9 million
Regional Mobile Phones (Towns under 500, Regional Highways, Satellite Phone Scheme, Wireless West)	\$50.5 million

Internet Assistance Program	\$9.9 million
National Communications Fund	\$52.2 million
Consumer Representation Grants	\$3.4 million
Indigenous Communications Scoping Study	\$0.4 million
TSI Community Information Campaign	\$5.3 million
Telecommunications Action Plan for Remote Indigenous Communities (TAPRIC)	\$8.3 million
Social Bonus (1999)	