

Comments Regarding

Backing Indigenous Ability

Delivering a Comprehensive
Telecommunications Package in
Indigenous Communities

March 2006

from the

Department of Corporate and
Information Service
Northern Territory

Key Findings / Recommendations

General

Issue: Lack of competition in the Northern Territory (NT)

Recommendation: The Connect Australia package must;

1. recognise the lack of competition in the NT market and eliminate or minimise the requirement to tender for developments.

Issue: Network infrastructure development and provision of appropriate services (including voice) to remote communities

Recommendation: The Connect Australia package must;

2. accept single applications that source funding from one or more of the elements of the Connect Australia package, where appropriate;
3. employ an evaluation process that considers as the primary assessment the benefits to the communities that the proposed project will service, rather than the number of services provided, number of people affected etc; and
4. be cognisant of the unique needs and issues of specific locations and account for them in the assessment process, in particular in assessing the need for non Commonwealth contributions.

Issue: Access in remote communities

Recommendation: The Connect Australia package must;

5. accept applications from third parties, including the NT Government on behalf of communities or regions;
6. provide for the development of community access points along with ongoing funding for “in community support” for a period of up to three years; and
7. support collaborative development of applications in remote communities by communities, NT Government, and non-government bodies jointly.

Specific Comments – Backing Indigenous Ability (BIA)

Issue: Focus of BIA

Recommendation: BIA must;

8. focus on two key areas in a top down strategic manner to maximise the effectiveness of the limited funding.
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Issue: Telephony

Recommendation: BIA must;

9. provide choice of telephony services, including mobile phones to communities and place a high priority on communities lacking alternative public access phones; and
10. provide a simple process for the delivery of the Community Phones.

Issue: Public Access Points

Recommendation: BIA must;

11. deliver, as a priority, supported public access into regional hub communities;
12. include videoconferencing and training as a component of the public access centres; and
13. develop a program to identify 'champions' and support officers from within the communities to run and develop the community access points.

Issue: Sustainability

Recommendation: BIA must;

14. recognise that it is not plausible to seek financial sustainability in all elements of the provision of telecommunications in remote areas.

Issue: Shared Responsibility Agreements (SRA).

Recommendation: BIA must;

15. not require SRA's for the provision of essential services. Recognise that telecommunications are essential services for remote communities.

Issue: Technologies.

Recommendation: BIA must;

16. recognise that there are different technology requirements for different products and the higher cost to communities of equivalent telecommunications provided by satellite.
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The NT Perspective and Backing Indigenous Ability

Introduction

Backing Indigenous Ability (BIA) is an initiative under Broadband Connect and will provide telecommunication services to remote Indigenous communities.

The NT Telecommunications Environment

Over one quarter of the population of the Northern Territory (NT) live in remote and isolated locations. The bulk of this population are Indigenous. This group of people are amongst the most disadvantaged in Australia.

To paraphrase the *Telecommunications Action Plan for Remote Indigenous Communities, Commonwealth of Australia, 2002*,

“they [Indigenous people in remote communities] are more likely to be unemployed or receiving lower incomes, be less educated, be imprisoned or in care, be homeless or living in overcrowded conditions, mostly in rental accommodation, and be unwell or dying early.

Telecommunications services have the potential to assist in alleviating this disadvantage. These difficulties are closely linked with broader social disadvantages faced by these communities.”

Telecommunication services in the majority of the populated remote locations in the Territory, are at best described as patchy, with most locations receiving some level of voice communications only.

Targeted, but significant investment is required to improve network infrastructure, products and services, and access delivery platforms for the Indigenous population to be able to reap the benefits of connecting to the rest of the world. Much of the required investment would raise the level of telecommunications services to that which has been available to the vast bulk of the Australian population for many years.

One critically restricting element is the lack of competition in the telecommunications market in the Territory, particularly in the remote areas. These very ‘thin’ markets provide little attraction for sustainable competition.

To date, incentives and initiatives from both Commonwealth and Territory Governments have not generated substantial competition in the Northern Territory telecommunications market.

The HiBIS, subsidised broadband services to 787 premises within the Territory, provided predominantly through a single service provider. The indications are that most of these services were in regional centres associated with mining ventures or to non-Indigenous residents in remote communities or to pastoralists. There is no evidence to support the view that HiBIS has bridged the gap to provide comparable and equitable telecommunications services in the remote areas of the Northern Territory.

NT Issues

With the substantial changes in the telecommunications market that will come with the sale of Telstra, capital investment in the non-competitive remote and regional Indigenous telecommunications market will become problematic. This is the last opportunity for the remote communities in the Northern Territory to 'catch up' and receive the same level of communications enjoyed by the majority of the rest of Australia.

The **three** significant issues that must be resolved if Indigenous Territorians are to have access to telecommunications on a par with the rest of Australia, are:

Equitable Access

Remote indigenous communities have limited access to telecommunications services.

Whilst Standard Telephone Services (STS) are generally available under the Universal Service Obligation (USO), the take up of STS has been virtually nil in the remote Indigenous communities. Pre-paid mobile telephony is the product of choice for those communities that have access to mobile services (35 remote communities). Prepaid services in remote communities are proving effective in reducing debtor problems.

Only two remote communities have access to ADSL services. Without ADSL, broadband access in communities is provided through less effective and significantly more expensive services. Broadband provides the transport for other services such as video conferencing and as such will form a critical component of the telecommunications services mix to communities.

Access in Indigenous Remote Communities

More Commonwealth and State Government agencies are moving to online service delivery and online financial services are proving popular with remote communities. Access to the Internet and these programs will become critical for the individuals of these remote communities.

Notwithstanding financial capacity, most Indigenous households are grossly over crowded, not allowing space for private ownership of computers. Community Centres that provide access to the Internet resolve these issues and provide a means to expand the adoption of ICT based services in remote communities. Such Community Centres that provide these services will require manning to provide support and guidance.

Network Infrastructure

The delivery of telecommunication services to most Remote Indigenous Communities requires significant upgraded network capacity. Of the 113 remote Indigenous communities with populations greater than 100, 53 have access to mobile telephony, but not ADSL, and 12 more have the network infrastructure capacity to deliver mobile telephony and ADSL. The balance, 48 communities, requires significantly upgraded network infrastructure to enable the provision of mobile services and ADSL. At present 1.3% (2 communities) of remote Indigenous communities have access to ADSL.

Connect Australia Package

The Connect Australia package is unlikely to provide significant benefits to the most needy of Territorians unless the four packages (Broadband Connect, Clever Networks, Mobile Connect and Backing Indigenous Ability) can be utilised as a single funding source. To that end the Connect Australia package should:

1. recognise the lack of competition in the NT market and eliminate or minimise the requirement to tender for developments;
 2. accept single applications that source funding from one or more of the elements of the Connect Australia package, where appropriate;
 3. employ an evaluation process that considers as the primary assessment the benefits to the communities that the proposed project will service, rather than the number of services provided, number of people affected etc;
 4. be cognisant of the unique needs and issues of specific locations and account for them in the assessment process, in particular in assessing the need for non Commonwealth contributions;
 5. accept applications from third parties, including the NT Government on behalf of communities or regions;
 6. provide for the development of community access points along with ongoing funding for in community support for a period of up to 3 years; and
 7. support collaborative development of applications in remote communities by communities, NT Government, and non-government bodies jointly.
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Backing Indigenous Ability – Specific Comments

(a) General Comments

To be effective BIA should take a strategic focus on the telecommunications and ICT issues within communities. Given the limited amount of funding available under BIA, BIA will provide more substantial benefits if there is a focus on only two key areas. In addition BIA will only bring substantial benefits to communities with funding links to the other programs within the Connect Australia package. The focus should be on:

- voice services – mobiles and Community Phones; and
- public access to ICT services and the Internet.

Without a clear focus the danger is BIA will fund small isolated projects that will have limited impact. The opportunity is to focus on a smaller group of regional hub communities using a top down strategic view.

(b) Shared Communities Phone and Telephony Services

The shared community phone is **one** product that can be offered in communities. There should be a number of products available to communities; choice of services is critical. It is too early into the development of the Community Phone program to make an evidence based decision that this product will have significant uptake – particularly if choice of product is available in communities. Community Phones must be targeted as additions to the overall benefit of the community, and targeting as a priority communities with no public phone service.

Where available, mobile phones have demonstrated a high rate of uptake. They are mainstream products that benefit from the competition of a broader market and are therefore priced for that market. Once a product is targeted only for Indigenous or minority groups the market share is limited and cost is greater.

Applications for shared community phones should be made directly to the telecommunications company providing the service. Communities that require support and advice on the application should seek help through State and Commonwealth Government departments.

The application process should be simple and short, no more than one page – the justification for a Community Phone is the identified need. The Australian Government through the Indigenous Coordination Centres (ICC) or other agencies have the necessary information to check the application against a simple set of criteria. Once it met that criterion then an agreement, if required, is sent to the community for signature. A national contract will also assist in keeping the whole process as simple as possible.

(c) Public Internet Access

It is critical that communities have Internet and electronic service delivery access available in community. A community based public access centre, for

community members is the most important means of providing these services in the foreseeable future.

A regional hub based approach is the most efficient means of developing a network of access centres. Communities should be assessed and meet a readiness criteria and applications to become a HUB community should be submitted to the Commonwealth Government. Communities should seek support and expert advice from Local Government, State Government and ICCs in the development of their applications to become a HUB.

The success of the access centre is dependant on two key elements; a community champion, to market and promote and a support person to run the access centre and assist the community to develop the necessary skills and understanding, particularly where complex business systems are presented on the web. This could indeed be the one employee. The employer could be the local Government council, funded through Commonwealth agencies, such as Centrelink, to deliver its services and other agency services.

(d) Videoconferencing

A community centre would also provide access to videoconferencing (VC). VC services should be based on a bandwidth of 384kbits or greater. PC-based video does not supply sufficient quality video to be used for certain applications and in particular where a group of people are involved. PC-based video is used more in one on one communications. Group access use of VC services is quite a common form of communication used in Indigenous communities today.

VC facilities have not been widely used to date, in part because of the lack of infrastructure and the cost of the service. VC services in the past, were not widely available. When equipment was available costs made the service prohibitive.

The NT Government's whole of Government telecommunication contract has imbedded an IP based VC service that will extend the use of VC by Government agencies to remote areas within the Territory and beyond. There may be a capacity to offer the service to the communities at a latter date.

To maximise the value of VC, local councils, local Government, NT agencies and Commonwealth agencies will need to change procedures and encourage the use of VC to deliver services.

(e) Training and Skills Development

A community centre would also provide an environment for the training of community members and would allow the ongoing development of the skills that have been taught. Skills gaps and training requirements in Indigenous communities can be identified by the community champion/access centre manager.

Training requires flexibility of approach and relevancy to the Indigenous communities needs. Training goals should not run along the standard 'Word Processing Level One' but meet the needs of the community, such as Internet banking, Centrelink services etc. and be tailored to the variations of ability within the communities and between age groups.

(f) Sustainability

Financial sustainability of any program in remote Indigenous communities is extremely hard, if not implausible. The very reason there are poor telecommunication services available is due to commercial entities finding no business case in going to those communities. Subsidies are therefore required for these communities to achieve a level of equitability with the national levels of service.

There are various approaches that can help to limit the impact on agency budgets, including regionalisation, providing mainstream products, a holistic approach at a strategic level, and strong integration, coordination and cooperation between jurisdictions, but there must be recognition that these remote communities will remain a cost to Governments.

But it is the provision of telecommunications that may well assist in lowering the reliance on Government subsidies through the long term development of the necessary skills and provision of the infrastructure that will allow these communities to participate in a broader information and knowledge economy, and develop enterprises that will provide new and independent income streams.

(g) Role of Indigenous Coordination Centres (ICC)

The ICC's should provide support to the communities in access grant funding and in writing applications for funding. They should work closely with local and state Government departments in providing the best advice and actively help in the procurement of services.

It may be appropriate in some circumstances to implement initiatives under the auspices of a Shared Responsibility Agreement (SRA) however SRA's should not be used for the provision of essential services.

Telecommunications must now be considered an essential service for the remote communities.

(h) Technologies

Whilst the provision of telecommunication services, in an ideal environment, should be considered in a technology neutral manner, some products will suffer if not delivered over terrestrial links. Satellite communications has its place and is an ideal medium for broadcasting (one to many) but because of its idiosyncratic behaviour is incapable of delivering mobile voice communications of the CDMA or GSM variety. Satellite is also expensive to run and represents a significant cost to the user. In the NT environment the users in remote areas are the least capable of meeting these costs.

The products required in communities, with the exception of Internet, namely mobiles and videoconferencing require terrestrial network links.
