

Joint response of Balkanu and the Cape York Institute to Backing Indigenous Ability

Balkanu Cape York Development Corporation and The Cape York Institute for Policy and Leadership are two non-profit organisations working together to help build a better future for the Indigenous communities of Cape York¹.

This document is our joint submission to DCITA's Backing Indigenous Ability discussion paper released in March 2006. In it, we present three central assertions:

1. Telecommunications will be critical in efforts to overcome Indigenous disadvantage;
2. Programs at a regional level achieve an appropriate balance between cost effectiveness and community ownership; and
3. Demand aggregation efforts in remote Indigenous communities should focus on governments' use of services, not on end users in the community.

By presenting these assertions, we encourage DCITA to ensure that:

- a) programs are designed, funded and evaluated with the goal of overcoming Indigenous disadvantage foremost in mind; and
- b) economies of scale are a major consideration, with regional-level programs and government demand aggregation being two major opportunities to achieve them.

Telecommunications a Key Enabler of the Cape York Reform Agenda

Since its inception in July 2004, the Cape York Institute has worked to highlight the cycle of dysfunction and disadvantage that exists in remote Indigenous communities and to articulate a reform agenda to address these issues. At its core, this agenda argues that engagement in the real economy is critical if communities are to overcome the crises of poor education and health, substance abuse and welfare dependence that exist in communities today².

Our research highlights that engagement in the real economy requires the establishment of a number of fundamental prerequisites for economic and social development. These prerequisites are all in very poor condition in Cape York, highlighting the need for a comprehensive agenda of economic and social reform.

One of these prerequisites for economic development is a robust, modern telecommunications infrastructure. Cape York communities are small and remote, so markets for goods and services are difficult and expensive to access. Telecommunications, along with other basic infrastructure such as roads, are a critical tool in overcoming these obstacles.

¹ See www.capeyork.org for an introduction to our organisations.

² For a detailed account of this agenda see 'Freedom, capabilities and the Cape York agenda', 2005, Cape York Institute for Policy and Leadership, available at <http://www.cyi.org.au/>

In addition, telecommunications will play a critical role in achieving other prerequisites for economic and social development. With an upfront investment in advanced telecommunications infrastructure, the delivery of required education, health, government and financial services could be achieved at a fraction of the cost that might otherwise be possible.

Finally, advanced telecommunications will play a key role in the actual *process* of reform. A full spectrum of interventions are needed in areas such as welfare reform, education, health, social order, housing and enterprise development. This is a complex program requiring a coordinated and sustained effort. In our experience to date, it is only with the aid of comprehensive email, internet access and videoconferencing services that it will succeed.

We therefore welcome the proposed investment in telecommunications to Indigenous communities outlined in Backing Indigenous Ability.

Regional Solutions Are Appropriate

Balkanu and the Cape York Institute believe strongly in the principles of community engagement and ownership, and we continuously strive to improve our efforts in these areas. However we also argue there is a pressing need to consider economies of scale in policy decisions affecting small, remote Indigenous communities. This is particularly true in telecommunications, where fixed infrastructure costs are so high and the incremental cost of delivering services low.

The experience of the Cape York Digital Network (CYDN) suggests that regional programs are an appropriate solution. By centralising management and support functions at a regional level in Cairns, CYDN is able to deliver internet access and videoconferencing services to all thirteen Indigenous communities on Cape York at far lower cost than if services to each community were managed separately. It also has the critical mass to attract and retain quality staff and to attract support from the corporate sector, as shown by its partnerships with Cisco and Optus.

CYDN is also able to maintain sufficiently close links to the communities it serves, so that the unique needs and context of each is understood. As a result, it is able to tailor its services to different communities in ways that very large State or national programs are unlikely to achieve. CYDN is able to engage in close consultation with communities, as well as offer employment and training opportunities to community members in its Cairns-based office, ensuring that communities play a direct role in the development and delivery of its services.

Focus on Government Demand Aggregation

Demand aggregation is another common response to issues of economies of scale in regional telecommunications. Efforts to date in rural and regional Australia (eg the HiBis program) have largely focused on demand aggregation at the community level. However we argue that in remote Indigenous communities, by far the greatest opportunity for demand aggregation lies with government itself.

A recent Cape York Institute study³ found that in one community, ninety two percent of all Indigenous employment (including CDEP positions) was in the public sector. This statistic highlights where the opportunity for demand aggregation lies in such communities: in coordinating Commonwealth, State and local government use of IT and telecommunications infrastructure and services. In doing so, critical mass can be generated to enable the provision of services to the community as a whole. For example, CYDN's services are most effective where, in addition to providing public internet access and videoconferencing, it also provides helpdesk, corporate email and IT support to the local community council. Not only does this make CYDN more economically viable in these locations, but it also has the flow-on benefit of educating community leaders in the value and potential benefits of IT and telecommunications to members of their communities.

The opportunity to aggregate government demand also extends beyond the community itself, to coordinating the interactions of non-local State and Commonwealth public sector employees with the communities. One important example is in the increased use of videoconferencing services. Properly managed and delivered, these services can have intrinsic value to the public sector by enabling more cost effective service delivery, via higher productivity, lower cost and more frequent interactions than the current practice of high airfare and travel expenditure. They can also provide an important source of revenue to ensure the economic sustainability of critical telecommunications infrastructure and services to the community as a whole.

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³ See paper 'Can Cape York Communities Be Economically Viable?', 2005, Cape York Institute for Policy and Leadership, available at <http://www.cyi.org.au/>