2018 Regional Telecommunications Review

Submission by the
Northern Territory Government
to the
Regional Telecommunications Independent Review Committee

July 2018

Introduction

In its response to the *2015 Regional Telecommunications Review* report on 23 February 2016, the Australian Government stated:

> Telecommunications plays an important role in the social and economic development of rural and regional Australia, and the Government remains committed to ensuring Australians living in these areas have access to quality telecommunications services.

The Northern Territory Government agrees with the Australian Government's commitment and supports the view that modern telecommunications infrastructure and services in remote areas are essential for economic and social development.

The NT Government's position and advocacy has remained consistent with a focus on ensuring the Australian Government and telecommunications suppliers provide remote NT residents with a standard of telecommunications services comparable with other Australians.

Key Australian Government telecommunications improvements since the previous review include:

- the National Broadband Network (NBN) Sky Muster satellite service rollout

- NBN high-speed fixed wireless broadband services rollout

- the Mobile Black Spot Programme (MBSP).

The direction for telecommunications services, particularly in regional and remote areas, is difficult to reliably determine and plan given the multiplicity of reviews and inquiries being progressed and the extent of changes potentially contemplated. Recent reviews include:

- Telecommunications Universal Service Obligation (USO) Productivity Commission Inquiry

- Domestic mobile roaming declaration inquiry by the Australian Competition and Consumer Commission

- Joint Standing Committee on the rollout of the NBN

- Joint Standing Committee on the rollout of the NBN in rural and regional areas

- Review of the Viewer Access Satellite Television (VAST) service

- Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 inquiry by the Senate Environment and Communications Legislation Committee

- Measures to address regional mobile issues Australian Competition and Consumer Commission issues paper.

The plethora of reviews indicates a state of flux with potential for divergent and substantial service impacts in remote areas, and sets a background of uncertainty and confusion which is not conducive to investment and economic advancement.

The *2018 Regional Telecommunications Review* provides a valuable opportunity to examine this fluid context for telecommunications in regional Australia and put forward a cohesive and appropriate model for service delivery that recognises the specific circumstances and needs, particularly of remote Aboriginal Australians, and that will deliver the "access to quality telecommunications services" committed by the Australian Government.

Telecommunications in the Northern Territory

The NT is well served by telecommunications services in urban centres with residents in the five centres having a choice of mobile phone and internet service provider.

However, the situation is very different for around 76 remote NT communities where nearly 70,000 people reside, mostly Aboriginal people. Of these communities:
- 55 have mobile phone services
- 43 have fixed broadband services available
- 39 are connected to the national network by optic fibre.

Where mobile phone coverage exists for remote communities it is almost always provided by one service provider.

NT Government's contribution

The NT Government has long recognised the importance of telecommunications services in remote communities and the economic and social value these services bring. The NTG has advocated strongly with successive Australian Governments over an extended period seeking improved telecommunications services in the NT, with a specific focus on services for remote communities.

Since 2007, the NT Government has jointly-funded remote telecommunications infrastructure programs with Telstra, to a value of nearly $40 million, to address critical infrastructure investment needed to enable telecommunications services. In total, these co-investment programs have delivered mobile telephone and broadband services to around 23,000 residents in 45 remote communities, or approximately 10% of the NT population.

A further remote telecommunications co-investment program with Telstra, with a total value of $28 million over 2019–2022, was announced in April 2018. This program will prioritise infrastructure investment in remote communities, major transport corridors and remote tourism sites.

The NT Government understands the Territory's geographic and population demography and accepts telecommunications service delivery in remote areas cannot be achieved on solely commercial grounds. Financial contributions by governments are needed along with carriers taking a corporate social responsibility approach to telecommunications services.

National Broadband Network

The NT Government acknowledges that the NBN is opening up opportunities for online communication in remote areas of Australia.

Recent changes introduced by NBN Co are positive, although not sufficient to provide the standard of service that is necessary to close the digital divide. Changes include doubling data limits for Sky Muster satellite service users, establishing 'NBN local' teams to improve regional and remote customer experience, trialling satellite multicast services in NT schools, and commitment to expanding fixed wireless coverage to 6% from the earlier 4% target.

The NBN rollout plan and technology mix for the NT is vastly different to the national picture as the table below starkly highlights.

	Fibre (mix)	Fixed wireless	Satellite
Northern Territory	65%	6%	29%
Australia	91%	6%	3%

Of the 29% of remote NT residents and businesses scheduled to receive the NBN via Sky Muster satellite, almost half do not have mobile phone access and have no alternative internet access, even using costly mobile phone data.

To date less than 20% of the potential NBN satellite broadband users in remote NT have taken up the service, leaving over 80% without access to the NBN. Remote NT residents are not choosing to have satellite dishes installed and to sign-up to monthly data plans, evidencing that this model is not meeting their needs.

There are apparent servicing anomalies with communities and locations bordering on, or very close to, Territory urban centres, including Allice Springs, Katherine and Nhulunbuy, receiving an inferior satellite service. For example, on the Gove Peninsula residents and businesses of Nhulunbuy are provided high quality fixed broadband services whilst the nearby Aboriginal communities of Yirrkala and Gunyangara, within a 12km radius of Nhulunbuy, have to access broadband services via the Sky Muster satellite service, despite the relative proximity of optic fibre networks.

It is important to ensure the digital divide is not exacerbated by the regional implementation of pre-defined NBN solutions and other remote telecommunications where extant infrastructure can support superior solutions, such as fixed wireless.

The NT Government's submission to the *2015 Regional Telecommunications Review*, identified that the history of using of satellite services in the NT has clearly confirmed that satellite is not able to consistently and reliably deliver the necessary capacity and technical capability required for modern digital applications.

Many applications that function well over terrestrial connections, such as e-health, education and teleconferencing technology, suffer due to the latency (time delays) and bandwidth limitations inherent over satellite connections. Extreme weather conditions common in the NT, especially in the tropical coastal regions, make satellite unreliable due to loss of signal.

Even taking into account recent improvements to the NBN Sky Muster service, current data allowances for those using satellite technology do not enable regional users to effectively manage businesses or provide sufficient capacity to sustain an education service.

The *2015 Regional Telecommunications Review* report noted that isolated Indigenous communities, many of which are within the satellite footprint, may be better suited to infrastructure that supports mobile connectivity or WiFi. This view is supported.

There are now 39 remote communities in the NT connected to the national network via optic fibre at the exchange which should be provided with fixed wireless services to utilise existing fibre infrastructure and provide reliable communications for better service delivery and economic opportunity for remote residents and businesses.

The NT Government has lobbied the Australian Government and NBN for years, and will continue to advocate for existing optic fibre infrastructure to be utilised and provide a suitable broadband service for these remote communities.

An extension of the fixed wireless network will contribute to the Australian Government's broader efforts to optimise the NBN satellite service for end-users and reduce demand on the satellite network. The Australian Government has agreed with Recommendation 3 of the *2015 Regional Telecommunications Review* which states that NBN Co, where practicable, should extend boundaries of its fixed wireless footprint as a substitute for satellite to give the best possible outcome for regional users.

There is no evidence yet of the application of this agreed recommendation in the Northern Territory.

Extension of the fixed wireless service would have the added benefit of faster and more reliable access to the internet, be free of the download limitations of the NBN Fair Use Policy and put less pressure on the satellite service for remaining users.

It is also important that fibre connections and backbone services which service the remote regions have the necessary capacity to accommodate increased demand from residents, existing businesses and new industries. This is particularly important for the North East Arnhem and Groote Eylandt regions of the NT where advice is that the backhaul capacity is reaching its limits and infrastructure upgrades are necessary to support rising industry demand. For example, North East Arnhem Land Traditional Owners are working directly with a number of aerospace proponents and limitations in the network backbone capacity may constrain new industry entrants and vital economic development opportunities.

The NT's exceptional challenges and needs warrant further consideration in selecting locations and delivering services.

MBSP Status

As part of the first round of the MBSP in 2015 the Australian Government approved five remote sites in the NT for mobile phone services through installation of Telstra macro cell towers. One site at Minjilang was installed in 2017 and is operational; the remaining four sites at Finke, Imanpa, Mt Liebig and Wallace Rockhole, have yet to be delivered.

It is understood that these sites are being declared "frustrated" and they are not being actively progressed to provide the services promised. Very limited information has been made publicly available or provided to the community residents to explain delays and how services will be provided.

The NT Government remains hopeful that MBSP commitments will be delivered.

Basic telephone services in very remote areas

The NT Government is receiving reports that basic landline telephone services, which remain the primary means of connecting with the outside world in very remote areas, are in jeopardy, owing to lack of skilled technicians able to work with the outdated telephony equipment in these areas. Instances are being advised of public and private landline telephone outages extending for months and leaving families and communities isolated. This is concerning and contrary to the telecommunications Universal Service Obligation (USO).

It is essential that individuals and businesses who are totally reliant on a landline phone connections are not severely disadvantaged or completely cut-off.

The USO, in providing a guarantee for voice communications, has ensured that many very remote communities have the opportunity to develop despite it not being commercially viable to provide a service. The improvements in safety, health and social connections attributed to enabling communications in remote areas cannot be overstated.

Digital inclusion

The Issues Paper for the current review references *The Australian Digital Inclusion Index Report 2017* which found that Indigenous Australians have lower digital inclusion than the

national average, even though data collected for this report did not extend to remote Aboriginal communities where, in many instances, internet access is non-existent.

Remote Aboriginal communities are some of the most disadvantaged in the nation often with different needs, household make-up, socio-economic conditions, environmental challenges, and usage patterns to other households in Australia. Pre-paid charging is the preferred model for mobile phones that best aligns with most residents' needs and circumstances, but this is the most expensive option and exacerbates disadvantage.

In June 2018, the NT Government held a Regional Telecommunications Ideas Forum with the aim of exploring the issues and challenges faced by remote Aboriginal residents and businesses accessing and using telecommunications services. The forum was focused on encouraging ideas for mobile phone and broadband data models for remote Aboriginal residents that will better suit their cultural and economic needs.

Affordability and accessibility have been key obstacles to success for many years and the NT Government will continue to engage with forum participants regarding potential solutions for services and manageable data plans.

Conclusion

The NT Government is committed to improving telecommunications for residents living and working in some of the most challenging and inhospitable regions of Australia. Options for modern, fit for purpose telecommunications services that will improve the living standards of remote NT residents and enable remote NT businesses to compete and thrive will continue to be vigorously pursued.

As all governments are now providing many vital services online, it is essential that quality telecommunications services are made available and accessible to all Australians.

Governments, telecommunications service providers, and communities need to work in partnership to deliver sustainable, reliable and affordable services.