

31 July 2024

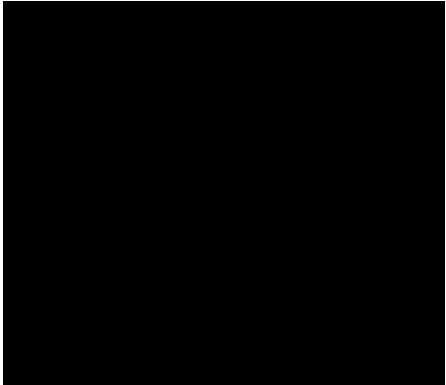
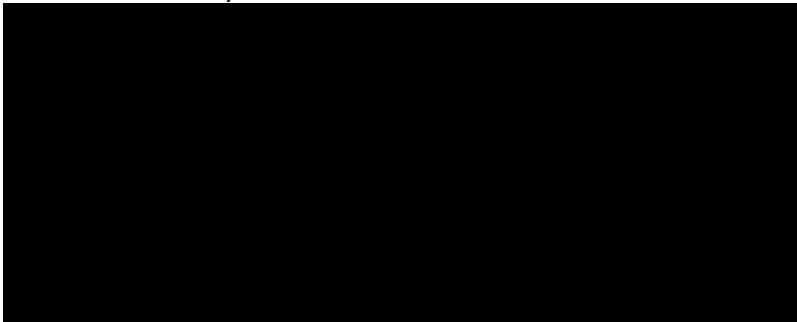
The Hon Alannah MacTiernan, Chair
Regional Telecommunications Independent Review Committee
Department of Infrastructure, Transport, Regional Development,
Communications and the Arts
GPO Box 594
Canberra, ACT, 2601

Dear Ms MacTiernan

Re: Tourism NT submission to the 2024 Regional Telecommunications Review

Please see below Tourism NT's submission to the 2024 Regional Telecommunications Review. If you have any queries about the content of this submission, please contact [REDACTED] Senior Director Aviation and Strategy [REDACTED]

Yours sincerely



2024 Regional Telecommunications Review

Tourism NT, NT Government Department of Industry, Tourism and Trade Submission
July 2024

Introduction

Tourism NT is a division of the Northern Territory Government Department of Industry, Tourism and Trade. Alongside marketing the Territory, Tourism NT has a function to facilitate the sustainable growth of the tourism industry in the Northern Territory with access to telecommunications a key enabler for tourism.

The Northern Territory's visitor landscape has considerable untapped potential across regions, in parks, accommodation, experiences and attractions. Investment in infrastructure which enables greater access to telecommunication will help to realise that potential. It is critical the Northern Territory have access to funding to invest in telecommunications infrastructure that drives demand and enables regions and communities.

The progressive digitalisation of businesses places regional and remote tourism businesses at a disadvantage with a lack of access to mobile telecommunications and digital infrastructure impacting day to day business operations (including payments, online bookings, online presence and marketing). It also impacts the ability of a business to interact with a consumer to assist in visitor wayfinding and understanding of the region both prior to and during the trip.

From a drive tourism perspective, the Territory is popular for its wide open spaces, countless tourist destinations and opportunities for exploration. Within the remote, low population landscapes of the Northern Territory, it is important for visitors and the community to feel connected and safe. Investments in infrastructure and services that enable access will assist in delivering greater arrivals over time, encourage visitor dispersal and enhance liveability. For the Territory to meet the demand for communications, investment in enabling infrastructure needs to be prioritised. Investment in telecommunications infrastructure and service solutions will assist the tourism industry to meet and exceed visitor expectations.

Investment in telecommunications infrastructure along key tourism drive routes in the Northern Territory will support growth by supporting new business opportunities for remote regions, including Aboriginal communities; acknowledging and enabling new marketing trends towards user generated marketing (allowing visitors to access and share images of a place); promoting a greater perception of safety and security on NT roads; and supporting the transition to a higher reliance on navigation systems and online visitor information.

The Northern Territory is large in landscape and has a widely dispersed population which comes with challenges in providing a robust telecommunication infrastructure. Tourism NT is committed to working across the Northern Territory Government, telecommunications providers and the Australian Government to improve digital network access and tourism related telecommunication infrastructure in remote and regional areas.

Context – Tourism in the Northern Territory

Tourism is a fundamental pillar of the Territory's economy and contributes across a range of industries. Tourists arrive in the Northern Territory and spend money on attractions, meals and accommodation - leading to broader economic benefits. Improvements in tourism products and services enhance the Territory's liveability and enjoyment for residents, while encouraging visitation and spend in the regions. Tourism brings tremendous economic value through visitor spending and it is also an important source of job creation.

In 2022-23, total tourism Gross Value Added (GVA) in the NT was \$2.2 billion, up 53% compared to the previous year, or 7.2% of the Territory's total GVA. During the same period, tourism in the NT supported a total of 16,300 jobs, or 11% of the Territory's total employment.

Tourism brings economic value across our regions as visitors disperse to experience different products outside of major centres. Both domestic and international visitors come to the NT to see our amazing natural landscapes which are primarily situated away from population centres. Drive visitors represent approximately 40 per cent of all visitation to the NT.¹ Drive visitation is vital to the Territory's visitor economy as it encourages regional dispersal, increases visitor numbers and increases length of stay.

The overarching strategy guiding the development of tourism in the Northern Territory is the *NT's Tourism Industry Strategy 2030 (Tourism 2030)* which identifies the goals and actions required to sustain and grow the tourism industry through to 2030. A key priority of Tourism 2030 is to develop ongoing access to and within the Northern Territory with an action identified to: advocate for additional investment in telecommunications infrastructure. Tourism 2030 articulated a need to develop the *Northern Territory's Drive Tourism Strategy 2021 -2030 (NT Drive Strategy)* to prioritise and advocate for delivery of required investment in key drive routes. The NT Drive Strategy articulates the importance of investment in telecommunications infrastructure to grow and support the Northern Territory tourism industry.

The NT Drive Strategy provides an analysis of the Territory's current drive market value and segmentation, informs on future market trends and identifies impediments to growth and required infrastructure. Access to telecommunications is considered a key part of the drive tourism experience. The key findings of the NT Drive Strategy highlighted access to adequate telecommunications is the number one challenge facing visitors and operators, impacting visitor safety, experiences and business operations.

¹ Tourism NT, Leisure Drive Market to the NT Three Year Average 2017-2019, published August 2020

Key telecommunications challenges for tourism in the Northern Territory

1. Connectivity along drive routes

The Northern Territory has a low overall population with substantial areas with limited/no mobile coverage and large distances to a population centre/emergency services. With low population areas and large travel distances, place based funding of telecommunications infrastructure leaves significant gaps in services along drive routes impacting tourist visitors, regional and remote residents and industries that use these routes for freight and logistics.

Drive visitors rely on telecommunications connectivity to arrange travel, determine where to visit and feel safe on the road. Drive visitors are a key economic contributor to our regions representing approximately 40 per cent of all visitation to the NT.² Dispersing across all regions of the NT, 792,000 self-drive visitors headed to the Territory in the 2023 calendar year, up 12% on the previous year. Self-drive visitors contributed \$867 million to the Territory economy in 2023, which is 6.1% higher than the year ending December 2022.³

Investment in telecommunications will unlock considerable opportunities for the tourism industry, the community and other industries more widely. The NT Drive Strategy identified the opportunities for the NT that greater access to telecommunications and digital connectivity would provide with potential outcomes being to:

- activate key visitor sites along drives, slowing visitors down to spend more time in regions
- improve visitor safety
- improve marketing through user shared media
- improve the overall visitor experience by creating ease of booking en-route
- improve monitoring and reporting of visitor movement and spend through greater ability to capture visitor data
- reduce current issues faced with maintaining visitor signage
- improve businesses operating environments along drives
- create more liveable spaces for operators and staff moving to remote areas.⁴

2. Visitor safety and satisfaction

Perceptions of safety are highly impacted by access to telecommunications. Visitors including many who are unfamiliar with the Northern Territory environment rely on being connected to communications to guide their journey, be able to seek help in the event of a travel incident and stay connected to their family and friends. Additionally, many international visitors come from areas where they have constant telecommunications connectivity leading to higher expectations of coverage when they are travelling. A lack of coverage can impact the perception of the Territory by some international visitors as being 'too remote' or inaccessible.

In the event of an emergency on the road, lack of access to telecommunications may result in delays to emergency services calls and service response.

² Tourism NT, Leisure Drive Market to the NT Three Year Average 2017-2019, published August 2020

³ Tourism NT, Drive Tourism Strategy Report Card 2023, accessible at:

<https://www.tourismnt.com.au/research-strategies/strategies/drive-tourism-strategy>

⁴ Tourism NT, Northern Territory Drive Tourism Strategy, accessible at:

<https://www.tourismnt.com.au/research-strategies/strategies/drive-tourism-strategy>

Fatigue is a serious issue on Australian roads. Visitors need to be able to stop during their journeys to rest and revive in order to ensure that they are using the road safely. Visitors are less likely to stop where there is no telecommunication coverage, instead waiting so they can stop somewhere where they are able to check communications with friends/family, book accommodation or plan their journey. This may cause visitors to continue driving although fatigued in order to reach telecommunications coverage before stopping.

Visitor satisfaction with telecommunications services when travelling in the Northern Territory is low. A Drive Study undertaken by Tourism NT in 2023 surveyed visitors on their satisfaction with facilities used during their NT drive experience. The number one area of dissatisfaction, based on those who experienced the facilities, was with the lack of mobile reception.⁵

Investment in telecommunications in priority tourism areas will assist in supporting visitors to feel safe to visit and travel within the Northern Territory and garner greater enjoyment from their visit.

3. Digital activation

The value of digital technology and telecommunications to businesses is well established. In regional and remote areas, if there is access to telecommunications, there is considerable opportunity to use digital technology and marketing that entice visitors from identified markets and enhance the drive experience both before and during the trip. The NT Drive Strategy notes that digital activation will be vital to growing the value of drive tourism. Limited telecommunications has a negative impact on the visitor experience with research in the NT Drive Strategy noting that: *many travellers use telecommunication to identify sites of interest en-route. Poor access to telecommunications, coupled with high speed driving, can result in visitors missing sites of interest as they travel and a decreased length of stay.*

Telecommunications coverage is an enabler for industries including tourism, agriculture, defence and freight/logistics. Recognition of the value of telecommunications to a regional or remote area needs a more nuanced approach. In regional and remote areas the value of telecommunications investment may not deliver as strong an economic ROI position for private operators, however would deliver significant gains from a health, safety, industry, community and visitor perspective.

In order to maximise benefits from digital activation, telecommunications investment in regional/remote locations in the NT needs to consider how seasonal visitation impacts telecommunications usage. Infrastructure needs to be built to cope with the peak loads that occur when visitors are in the region rather than look at the average use over the year. For example, from April – September many visitors will be undertaking drive travel in the NT with peak travel likely in June/July. If infrastructure is not developed to accommodate peak load there will be constraints on established businesses, visitors and residents at the time when the greatest economic outcomes can occur in the region.

4. Funding program suitability

The available funding programs and terms and conditions vary, however often they have a place based or blackspot focus. Additionally, funding programs usually involve a co-investment by a private telecommunications provider in order to deliver the asset. Whilst these programs deliver

⁵ Tourism NT, NT Drive Study 2023, accessible at:

https://tourismnt.com.au/system/files/uploads/files/2024/Tourism%20NT_NT%20Drive%20Study%2023.pdf

important investment into telecommunications, not all telecommunications infrastructure priorities for tourism fit within the existing Australian Government programs.

For example, drive routes or areas of high traffic and tourism visitation will benefit from full network coverage across a larger area involving considerable planning and investment to deliver. These large and systematic investments can sit outside of a funding program.

Additionally, in regional and remote areas the provision of telecommunications may be non-commercial for private operators. Whilst important from a tourism and economic enabling perspective, locations along regional and remote roadsides can be of limited interest to telecommunications companies due to lower utilisation of the infrastructure, meaning that a greater funding contribution is needed from government to contribute towards enabling this infrastructure.

It can be challenging to deliver telecommunications infrastructure in the Northern Territory under current funding programs which have a component of private sector co-investment required. Remote telecommunications projects present limited commercial opportunities for telecommunications providers and offer very little return on investment (RoI). As a result, telecommunication providers are less likely to invest without significant co-investment and there is less infrastructure delivery in remote regions where enabling infrastructure is still needed.

In future funding programs it is recommended that the Australian Government consider ways to incentivise investment in regional and remote areas to make the value proposition more attractive to private operators.

5. Enabling the Aboriginal tourism sector

Aboriginal tourism can be an economic enabler for regional and remote communities with Aboriginal tourism representing approximately 18 percent of total NT tourism consumption, equivalent to \$383 million in 2021-22.⁶ Telecommunications is a significant barrier to realising economic, social and workforce opportunities in many regional and remote Aboriginal communities.

Respectfully supporting the Aboriginal people of the Northern Territory to benefit economically, socially and culturally in their participation in the tourism sector is the mission of the *Northern Territory Aboriginal Tourism Strategy 2020-2030 Update (NT Aboriginal Tourism Strategy)*. Investment in telecommunications in existing and emerging tourism areas in the NT will assist in delivering greater participation by Aboriginal people in the tourism sector.

A goal of the NT Aboriginal Tourism Strategy is that visitor services and infrastructure development supports the needs of the Aboriginal tourism sector. This is underpinned by the wider strategy focus on accessibility for Aboriginal Territorians to opportunities within the tourism industry. In order to enable growth and participation by Aboriginal Territorians in this sector funding needs to be directed to enabling telecommunications connectivity across regional and remote areas of the Northern Territory.

⁶ Tourism NT, Northern Territory Aboriginal Tourism Strategy 2020-2030 Update, accessible at: <https://www.tourismnt.com.au/research-strategies/strategies/northern-territory-aboriginal-tourism-strategy-2020-2030>