Northern Territory Government submission
Regional Connectivity Program - Discussion Paper
September 2019

The Northern Territory Government applauds the Australian Government's intent to encourage and enable location-specific solutions to deliver modern telecommunications services into remote locations through the planned Regional Connectivity Program (RCP).

Programs that provide opportunities for people living and working outside Australia's urban centres to access digital services and participate in the digital economy will assist to address unmet demand and provide access to essential telecommunications services to bridge the digital divide.

The place-based approach proposed for the RCP and the focus on flexible, practical localised solutions are supported as this will provide the versatility that is necessary to match the diversity of circumstances and need across the country.

The Northern Territory, with a small geographically dispersed population and extensive remote areas, coupled with demographic and economic challenges, has potential to benefit from this program.

This submission has focussed responses on particular discussion paper questions where the NT Government's input will be relevant.

Question 2
Should other parties, for example local government authorities, business organisations or industry groups, be allowed to lead a bid for Regional Connectivity Program funding?

and

Question 3
Are there other organisations beside local, state and territory governments that could be considered 'trusted sources of information' for the purposes of identifying local telecommunications priorities?

The stated objective of the Regional Connectivity Program (RCP) is to use a place-based approach to target investment that will provide economic opportunities and allow full participation in the digital economy for regional communities and businesses. As such, it is important that organisations which are 'trusted sources of information', other than infrastructure providers and governments, be allowed to either lead a bid for funding or partner with another organisation to do so.

There are many Non-Government Organisations (NGOs) that have "boots on the ground" in remote NT communities and have substantial experience dealing with Aboriginal people and the issues they face in dealing with the digital economy. In the Alice Springs area this includes First Nations Media, Tangentyere Council, the Centre for Appropriate Technology and Lutheran Community Care.

Either individually or in partnership, these organisations bring a wealth of knowledge in experiencing the digital divide first hand. As the discussion paper states, those who are not digitally connected, whether due to a lack of infrastructure or digital ability, are at a disadvantage.

Those organisations who are assisting digitally disadvantaged groups to bridge the divide should be encouraged to participate in the program.

> **Question 5**
> *Are there any comments that you wish to make in relation to co-contributions?*

The discussion paper points out that "…the total Commonwealth funding cannot exceed 50 per cent of eligible project costs, including any other sources of Commonwealth funding". This may significantly disadvantage NGOs who are reliant on external funding sources, some of which is already from the Commonwealth. The NTG recommends that this position be reconsidered, particularly in relation to NGO involvement.

If the connectivity aspect is to include elements that allow "…full participation in the digital economy" there should be a component that permits non-telecommunications companies to apply for funding to address skills gaps. The program should be broader than infrastructure.

> **Question 6**
> *What type of projects should be considered for funding through the Regional Connectivity Program?*
>
> and
>
> **Question 7**
> *Are there any comments that you wish to make in relation the proposal that all Funded Solutions will provide Retail Services for a minimum of 10 years after the Asset has become operational?*

The following point is made in relation to the type of projects that could be funded through the RCP:

> *"There are a broad range of projects that could be supported through the program, provided that they meet the needs of the local community. Projects may involve any combination of mobile/broadband and transmission upgrades; fixed wireless and fixed line broadband projects; and in some circumstances upgrades to the NBN access technology in the area. Extending Wi-Fi services, for example, in remote Indigenous communities, could also be supported."*

The focus on retail services for a minimum of 10 years has the benefit of ensuring solutions have longevity and will continue to be available to the local community. However, as with other parts of the proposed RCP some flexibility would be valuable to allow the diversity of situations to be pragmatically considered. There is potential for highly worthwhile proposals to be put forward for very remote or small communities that will struggle to provide the level of certainty required for a 10-year minimum service life.

The discussion paper advises that if multiple base stations and/or substantial backhaul transmission upgrades are required to address the local priority, the RCP may be more suitable than MBSP. Backhaul capacity limitation and the need to upgrade is a key limitation to the effective roll out of telecommunications services in many remote areas of the NT. The NTG would welcome the RCP providing the opportunity to address and remediate backhaul restrictions.

Backhaul is essential and often high cost to upgrade without significant tangible additional deliverables to evidence (ie minimal new sites connected or expansion of coverage, although usage is greatly improved and capacity is strengthened). The ability to consider the longer-term benefits of increasing backhaul capacity as part of creating enabling infrastructure has potential to assist more residents and businesses than site-specific requests.

Question 9
Are there any comments that you wish to make in relation to the proposed eligible and ineligible expenditure?

Under the ineligible funding activities, it is stated:

> "To ensure that applicants do not seek program funding for Proposed Solutions where they have already planned to invest commercially, all applicants must certify that any Proposed Solutions for which program funds are being sought were not at any time part of their current forward build network expansion or upgrade plans as at the date of commencement of the application process"

This would appear at odds with the extract above from page 7 of the discussion paper. Transmission upgrades are likely to be scheduled months or years in advance, potentially making many beneficial sites ineligible under the criteria.

A useful purpose for the Regional Connectivity Program would be to allow co-investment to bring forward upgrades to critical transmission paths that can be demonstrated to have a high value social purpose or significant economic value for the community and/or where a soley commercial solution is not viable.

Question 10
Are there particular circumstances where it may be appropriate for the Commonwealth to make some contribution to ongoing operating expenses?

The discussion paper also states RCP funding will be available for the estimated capital costs of building or installing funded solutions and the grantees will be responsible for any actual capital costs, which exceed estimated costs. All operating costs for funded solutions will be the responsibility of the grantee.

The requests from across the nation for selection in the RCP are likely to be diverse in needs, scale and solutions. It would be very helpful to provide some flexibility or discretion in the design of the RCP to enable the diversity of needs to be adequately considered.

The ability to consider operational funding, even in limited circumstances, may allow some worthwhile and small-scale telecommunications solutions to be established in remote locations or for communities or groups who would otherwise have no means to achieve digital inclusion.

Question 11
Is there a case for a third category, for highly localised solutions for projects that, for example, are seeking funding of less than $200,000?

The discussion paper proposes that applications be grouped into two categories according to the amount of funding requested to ensure that smaller projects are given due consideration during the assessment process, projects less than $2 million and projects greater than $2 million.

The suggestion for including a third category, projects less than $200 000 is strongly supported.

This has potential to be very helpful for people in the Northern Territory to assist remote locations, such as very small Aboriginal communities (eg less than 100), pastoral properties, tourist ventures and mines.

This category would enable proposals for a small cell satellite service and other localised solutions to be progressed. By way of example a small cell service is being installed at Urapunga with funding of $43 000 from both the NTG and Telstra.

The small category will allow the RCP to deliver to a much wider range of locations, maximising the return to government and the broader community. This would also enable NGOs to seek funding to partner with the telecommunications companies.

End