SUBMISSION TO: Legislative Assembly Standing Committee on Broadband in Rural and Regional Communities

The Name of the person or organisation making the submission:

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Dr Gray would be pleased to provide further details about any of the issues raised if requested.

Title, indicating the nature of the issue;

NSW Government Coordination of Telecommunications Services in Regional and Rural Areas:

The issue has to do with Government coordination of delivery of telecommunications services, taking into account Community views and requirements, on a wholistic basis.

Nature of Issue: My experience working in the field of telecommunications has been that whilst there are a number of NSW Government agencies responsible for different aspects of provision and delivery of telecommunications services to regional areas, there are two factors which if better coordinated, could be leveraged to deliver enhanced outcomes to users:

1. There is no single point within Government which is responsible for oversight of delivery of all aspects of telecommunications within NSW, and
2. Where Telecommunications Projects are undertaken there is no identifiable point within Government responsible for including the integrated needs of Communities – Government needs are addressed by Commerce, Business by DSRD etc but no Government Department looks at Community needs.

As a result it is believed that benefits would be achieved for Regional and Rural communities if structural reform were implemented with the creation of an identifiable point within Government responsible for telecommunications issues in regional and rural areas. This may require the creation of a separate Department or Office, which would have responsibility for Regional and Rural Telecommunications matters. An Office may be housed within a broader Department which may be responsible for "Regional Development and Community Partnerships".

Discussion of the issue and, if appropriate:

Issue:
Establishment of an Office of Rural and Regional Telecommunications which would undertake the role of facilitation, co-ordination and development of Rural and Regional ICT capability leveraging Community engagement.

Background:
Development and well being of Rural and Regional NSW is a very important responsibility of NSW Government. In accordance with normal supply and demand interactions, because the majority of the population is in the metropolitan areas of the coastal cities around Sydney, these areas are given the greatest attention, and adequate attention is not paid to providing and meeting the needs of Rural and Regional areas. It needs to be recognised that each region has different challenges in meeting its requirements, and generally engagement with local communities is essential to arrive at solutions perceived to be acceptable to people within that Region. Investment in IT infrastructure is a proven enabler for the competitive enhancement of existing industry, is a priority for new and emerging industries and for businesses wanting to relocate to regional areas for financial and lifestyle benefits. However overall strategies need to be developed on a Statewide basis. For sustainable development within Regional Communities it is essential that the community engagement be included in identifying the supply and demand parameters associated with providing overall requirements. Different provisioning parameters will apply within Regional areas than apply within metropolitan areas.

Current Position:
Whilst agencies do provide telecommunications and ICT services for their own needs within Regional areas, there is no single point within Government that takes a synergistic approach to meeting the needs of these Communities. In particular in the provisioning of Telecommunications to Regional Communities, there are initiatives being encouraged and backed by Federal funding which target community engagement provisioning models which at this time do not fit within the responsibility of any single NSW Government agency, nor is there any particular agency assigned with the role of coordinating and facilitating implementation of these initiatives. Thus the potential leverage from such initiatives is not realised. For example the Review of Regional Telecommunications every three years required by the Federal Government under the Estens Report cannot readily be passed to the NSW Government because there is no appropriate area within Government to undertake this task.

The establishment of a dedicated Office to address these needs would require setting up a senior level team, but this could possibly draw resources from within existing agencies and Programs to undertake the tasks for which it would be responsible.

Recommendations on how the issue may be addressed.

It is recommended that:
- the Government establish at least an Office of Rural and Regional Telecommunications dedicated to facilitation, co-ordination and development of Rural and Regional telecommunications needs in Rural and Regional areas
- the Office undertake a co-ordination role with respect to infrastructure development at both whole of State and Regional Area levels
- the Office facilitate community engagement in all areas of development presenting appropriate views about development of infrastructure, delivery of Government Services, Small and Medium Business requirements and Community requirements and issues
- the Office assume an active role in development of ICT infrastructure, services and applications at all levels, where appropriate entering into partnerships developed with Community engagement
- The functions be assigned within a separate Department, or the Office be located within a high profile Department such as Premiers and Cabinet.

Regional and Rural Telecommunications

Presentation by:

Dr Rodney Gray

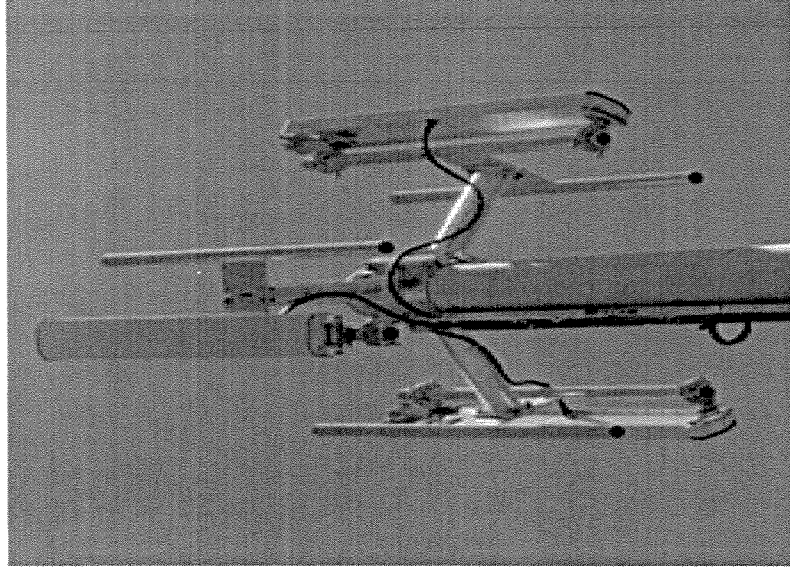Robyngra

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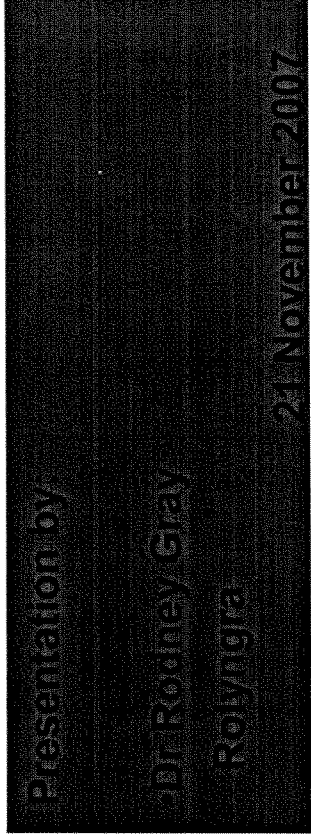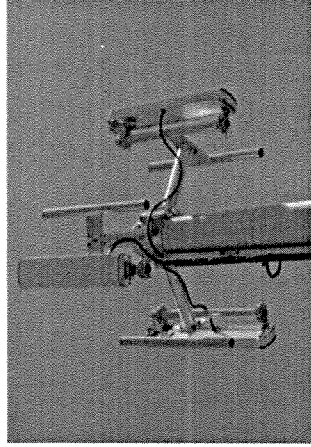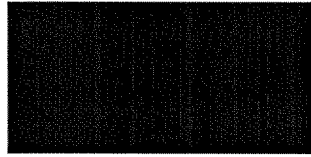
Rural & Regional Telecommunications

Proposed establishment of an

Office for Rural & Regional Telecommunications

Summary

- Why do we need one
- What would it do
- How would we do it
- Best Way Forward and Next Steps

Importance of
Regional Telecommunications Management
to State Development

- Enabler for enhancement of Regional growth
- Critical and alternate infrastructure for Industry Small Business and Communities
- Establish equity between Metro and Regional areas
- To leverage DoCITA's regional initiatives including Clever Networks
- Promoting education and skills
  - IT skills
  - Lifelong learning
  - Improved Health Services

Assist to deliver outcomes of State Plan

Benefits for Rural and Regional Communities

- Empowerment of Communities
- Productivity & Efficiency gains
- Sustained Competitiveness
- Cost Savings
- New Capacities
- Mobility
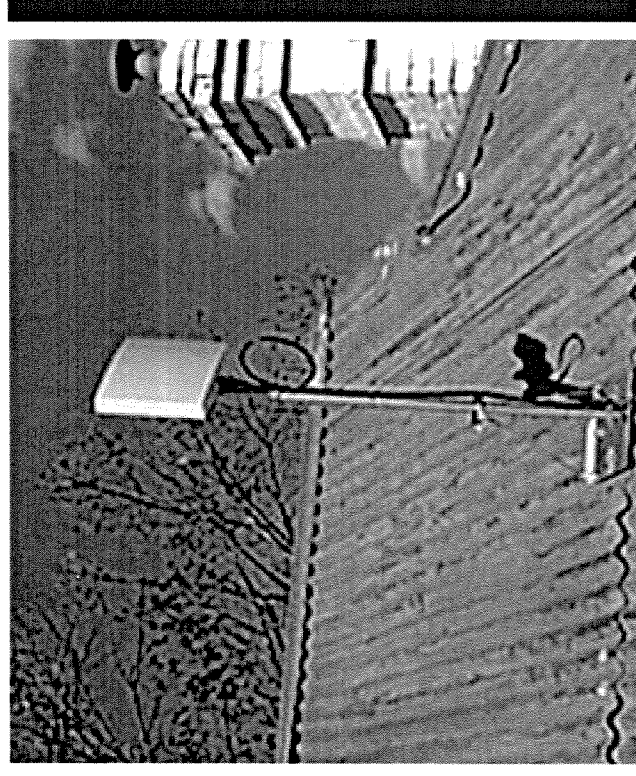
Examples of Successful Initiatives

Improved delivery of core Government services from leveraging initiatives:

- NTN, CCIF eg. Fibre Towns, NESCAP
- CTCs eg. Uralla
- RTCs and GACs
- Regional Projects through RDBs
- Health and Educaton initiatives for Regional Areas eg. Video Conferencing

- **Note:** *Some good Projects have stalled through lack of a serious Sponsor*

Key Initiatives that can be Leveraged

- Medical Practitioners Rural Network – linkages to Health and Regional Hospitals

- Broadband Wireless – NSW Govt initiative

- Leveraging Clever Networks/Broadband Connect

- Leverage capabilities within Regional Development Boards eg. Municipal Local Government Networks

- Indigenous Programs
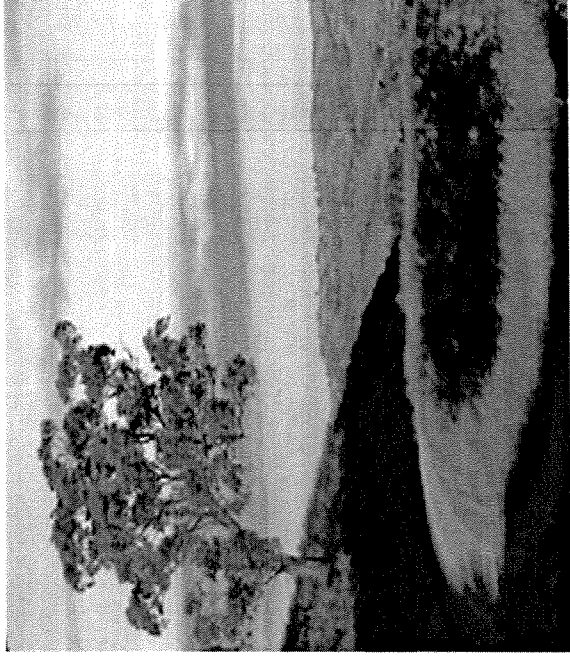
The Need For Change

- Suppliers prefer low hanging fruit and Metro Services

- Models are carrier centric, rather than regional development focus

- Inadequate co-ordination of Regional Initiatives

- Focus of Government introspective in serving agency requirements

- Someone needs to address the GAP that Carriers ignore in Regional areas

State Government Role in Provision of Future Regional Telecommunications

- Maximise the State benefit from DCITA initiatives

- Enhance competitiveness of regions following privatisation of Telstra

- Bridge the digital divide

- Nurture regional development players & models where traditional Business Case does not stand up

A STRONG LEAD ORGANISATION IS REQUIRED

Key Issues

- Real and Effective Engagement with regional and rural communities

- Support of regional SMBs

- Government focus on meeting Regional needs

- Recognise the special needs of Agribusiness, and Primary Sector needs, such as Telemetry, Mining, Forestry and Envrionmental and Water Management

A continuing role of Infrastructure aggregation is required

(Samuel ACCC)

Solution

Establish an

Office of Rural & Regional Telecommunications & IT

with Appropriate Authority to:

- Manage existing projects on a State wide basis
- Broker innovative Global best practice leadership
- Ensure Regional perspective in Government Policy Development
- Co-ordinate engagement of Communities
- Assist SMBs in regional endeavours

Preferred Location

- **Commerce** – concentration on agency requirements (not community focused)

- **Lands** – *Office of Rural Affairs* – has geographical footprint, but little or no telecommunications focus

- **LGSA** – parochial approach, political imperatives, lacking capacity

- **DSRD** – intuitively the right place, but current focus is on exports and major centres

- **Premiers** – may be most appropriate location

Note: The Office may need to co-ordinate some activities centered in all these agencies.

Proposed Office Structure

Establish Core Office to:

- Engage with communities
- Support commercial initiatives
- Broker Best Practice models
- Leverage Federal Government funding

Core Office Staff might include:

- Director ORT
- Co-ordinator of Regional and Rural Initiatives
- Manager of Projects
- Regulatory and Industry Issues Manager

Funding Requirements for Proposal

- Annual Budget in the order of $2m for Core ORT

- Potential Funding leveraged from other Initiatives up to $10m per annum

Note:
- Additional Projects and tasks would be undertaken on a Business Case basis from potential funding available

Start small and grow with success

Key Outcomes

- Responds to discreet **Needs of Communities** – No one size fits all.

- **Retention of skills**, enabler of business growth in Regional and Rural areas.

- **Moving SMEs up the Technology Ladder** to become exporters from their Region to other Regions and overseas – Increased competitiveness

- **Note:** If say 50 businesses increase productivity by say $500,000 pa each, then net increase in SGP is $25m pa