



**Australian Government**  
**Attorney-General's Department**

**Territories and Native Title Division**

2008/23588

Committee Secretary  
Senate Select Committee on the  
National Broadband Network  
Department of the Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Committee Secretary

**Senate Select Committee on the National Broadband Network**

Please find attached a submission regarding the Indian Ocean Territories for consideration by the Senate Select Committee on the National Broadband Network. The submission has been prepared following interest expressed by the Committee in relation to the Indian Ocean Territories.

Should you require further information or wish to discuss this submission, please contact Karenn Singer on 02 6218 6966 or [karenn.singer@ag.gov.au](mailto:karenn.singer@ag.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Iain Anderson'.

Iain Anderson  
First Assistant Secretary  
Territories and Native Title Division  
24 December 2008

Telephone: 02 6218 6904



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**SUBMISSION TO THE SENATE SELECT COMMITTEE ON  
THE NATIONAL BROADBAND NETWORK**

**INDIAN OCEAN TERRITORIES**

## **Summary**

The Indian Ocean Territories comprise the non-self-governing Territories of Christmas Island and the Cocos (Keeling) Islands.

Both Territories are governed directly by the Australian Government, which fulfils the role of both Federal and State governments.

State-level government is provided by the Australian Government and the Minister responsible for Territories. An Administrator, appointed by the Governor-General, represents the Minister in the Territories. The Attorney-General's Department (the Department) has portfolio responsibility for the delivery of State-type services in the Territories.

The Australian Government is committed to providing services which support the economic and social sustainability of the Territories and ensuring services are comparable with those provided to similar communities on mainland Australia.

Consistent with this commitment, access to high speed broadband is required by the community of the Territories to:

- ensure effective service delivery including health, education, border controls,
- support economic and social well being;
- provide economic development opportunities; and
- ensure connectivity with communities and services in mainland Australia and globally.

It is desired that a solution which provides high speed internet and comparable costs to the Australian population be developed.

The Indian Ocean Territories will fall outside of the current policies and frameworks for developing better broadband opportunities.

## **Geography**

The Territories are very isolated.

Christmas Island is located in the Indian Ocean approximately 380 kilometres south of Java and 2,650 kilometres north-west of Perth. The nearest Australian mainland location is the Northwest Cape 1,550 kilometres to the east. Christmas Island has a land area of approximately 135km<sup>2</sup>.

The Cocos (Keeling) Islands are located about 1000 km from Christmas Island in the Indian Ocean approximately 2,950km north-west of Perth and 3,700km west of Darwin. There are 27 coral islands in the group, with a total land area of approximately 14km<sup>2</sup>.

## **Strategic Importance of the Indian Ocean Territories**

The strategic value of the Territories supports retention of a resident population. The Territories are strategically important as the western-most location in Australia and the site of an Immigration Detention Centre.

Australian Government investment in the Territories is necessary to retain a viable population base, as the economies are not self-sustaining. Ongoing social and economic investment by the

Australian Government is needed to minimise the risk of possible market failure and depopulation of Christmas Island due to economic causes.

### **Current Internet Facilities**

The provision of internet services to the Indian Ocean Territories is the responsibility of the private sector.

Currently, 'broadband' internet services are provided to the community by the Christmas Island Internet Association (CIIA).

CIIA is a community owned non-profit company limited by guarantee, the objects of which are to be:

- trustee and policy setting body for the cx (Christmas Island) and cc (Cocos (Keeling) Islands country domain names; and
- administrator of the Christmas Island Information Economy Development Trust.

The residential plan offers a metro comparable service, consistent with the Australian Broadband Guarantee requirements of 512kilobits per second (kbps download, 128kbps upload at \$69 per month for 3GB (\$79 for 3GB+). It is rate limited after 3GB download.

The small business plan offers 512kbs download, 128kbs upload at \$225 per month rate limited after 8GB download.

A significant cost to CIIA is for satellite services. CIIA advised it currently pays approx \$11,000 USD per month for a 3.5megabits per second (mbps) download and 1mbps upload, which is understood to be considerably higher than a mainland Internet Service Provider (ISP) would pay its upstream provider for the same amount of bandwidth. Demand for bandwidth is likely to increase with different services becoming available and more users requiring services. The ability for CIIA to increase capacity is restricted due to the costs of the satellite bandwidth and constraints for passing on these costs to the consumer.

All internet and other forms of telecommunications must be broadcast through satellites. Satellite connections experience signal delays in transmission, or latency, which impact on the response time for internet and hence limits functionality. Increasing speed of wireless links or increasing bandwidth will not decrease latency.

Distribution of internet on Christmas Island and the Cocos (Keeling) Islands by CIIA is through wireless systems.

Some of the government agencies and larger organisations use other ISPs via satellite as the capacity offered by CIIA is not sufficient to meet their needs or they have other contractual obligations. This has resulted in a fragmented service delivery model where economies of scale cannot be leveraged to meet the needs of the broader community.

Dial up services using the Telstra telephone network are available.

## **National Broadband Network**

Under the current policy the network will not service the Indian Ocean Territories. This location will fall in the 2% of the population which will be reliant on support through the Australian Broadband Guarantee Funding.

It is understood that upon completion of the National Broadband Network the speed of broadband services in metropolitan areas will be a minimum of 12mbps. This is considerably faster than the requirement under the Australian Broadband Guarantee.

## **Australian Broadband Guarantee Funding**

The Australian Broadband Guarantee funding defines metro-comparable services as a minimum of 512kbps download and 128 kbps upload. This is significantly slower than the minimum speed proposed under the National Broadband Network and does not fully support business and social needs. It is noted there has been a commitment by the Government to review this standard at a future point.

Although this funding seeks to cover the 2% not reached by the National Broadband Network, no funding has been provided to the Indian Ocean Territories to date as a result of commercial services being deemed to be available that meet the Australian Broadband Guarantee metro-comparable standard.

The Department of Broadband, Communication and the Digital Economy have recognised the need for improvements in the services to the Indian Ocean Territories and are working with stakeholders to find solutions within the available frameworks.

## **Fibre Optic Cable**

The Department is aware of a proposal to lay a fibre optic cable between South East Asia and North West Australia. Initial indications of upfront and ongoing costs to lay a spur to Christmas Island were prohibitive.

The West Australian Department of Industry and Resources have an interest in the project and are seeking to develop partnerships to enable the cable to be laid. If this were to proceed costs could be reduced, but laying a spur to Christmas Island would still be a significant impost, requiring funding from the Australian Government.

A cable would assist in providing effective broadband services to Christmas Island and improvements for Cocos (Keeling) Islands, but it is not clear whether the cable will proceed and if a spur to Christmas Island is feasible. The Department will continue to discuss this with the West Australian Government.

## **Conclusion**

The Indian Ocean Territories will fall outside of the current policies and frameworks for developing better broadband opportunities.