Pacific Conversations: Telecommunications regulation in Vanuatu – *Full transcript*

Tess: Good morning and welcome to Pacific Conversations. My name is Tess Newton Cain, and this morning, I'm going to be chatting with Dalsie Baniala who is our Telecommunications and Radio Communications regulator here in Vanuatu. Good morning, Dalsie. Welcome to Pacific Conversations.

Dalsie: Good morning, Tess. And thank you very much for this opportunity to bring me onboard and for an interview.

Tess: You're very welcome. I thought maybe, obviously, I know quite a bit about your background but our listeners don't. So maybe just briefly you'd like to tell us a bit about your background and your professional journey that got you to where you are now.

Dalsie: Yeah. In terms of educational background, I started off with the VIT, Vanuatu Institute of Technology. And then from there, to Honiara which is now the University of Solomon Islands and then up to the University of the South Pacific where I am currently doing my MBA program. Back to my professional background, I started off with USP.

Tess: Yeah, didn't we all?

Dalsie: Yes. And being the regulator for Vanuatu is my second job out from USP.

Tess: Great. Thank you for that. So, moving on to the work that your office does, why in your opinion does Vanuatu need an office like the TRR? What is its role and what is the contribution it is making?

Dalsie: This is a very, very important question, Tess, and I'm very pleased that you asked me because, in fact, people in Vanuatu, even the citizens or some of the government don't understand really what the role for TRR is. For those that are listening, this office, the institution, is very, very important for development in telecommunications because its role is like a referee.

A referee that is blowing whistle when there is unfair games going on within the sector, within the market itself in terms of telecommunications services. This is mobile services and internet services, and this is very, very important because when there is a competition, one always wants to be the winner but at the same time, to become a winner, you have to find ways to become a winner.

And by finding those ways, you know, sometimes, you can step outside the boundary to win the game. And by stepping out of the boundary, then that's when the regulator comes in to say that, 'Hey, come back into the area, the field, and let's play the game.'

Tess: Also, does the regulator, therefore, have a role in making sure people understand where the boundaries are?

Dalsie: That's correct. Which is why it's very important for us today that we're going out and making awareness and education to all the people, not just the citizens for the services available but also for the servicers and also for the good use of the services that are currently available in Vanuatu. And it's very important in that sense.

Tess: Okay, that's great. So, previously, there's been some work done or I've certainly read commentary that indicates that our regulatory environment in this sector is considered to be among the best in the region. So what do you think are the factors that contributed to that?

Dalsie: Thank you. It's an important question. This, being the benchmark in the region is not measured by any in Vanuatu. This is an external measurement. For example, let's bring in World Bank and let's bring in the ITU. They have regarded Vanuatu to be their model in the region for a number of areas.

One, it's the good governance that we're maintaining. Two, we're participating at the global level where we're representing the Pacific views in some of the unique challenges that we're facing and how could we address these issues together within the region.

And thirdly, it's because in an industry level playing field, this is what we are promoting. We work collaboratively with the stakeholders and in particular, the industry – the telecommunications industry to bring them on board and understand what their needs are, understand their challenges and understand what they're facing today and then work with the government to address and make sure we are all happy when we are doing the promotion, the development in telecommunications.

Tess: I imagine there are situations where not everybody, maybe, can be described as happy. But I guess as long as they feel confident that it's an appropriate process and there's proper accountability and transparency, they can accept decisions even if they don't necessarily give them 100% of what they want.

Dalsie: That is correct. I can always make reference to say that… being a regulator, it's one of the loneliest role in this nation or across the globe because, (1) you have to be fair to

everyone. By being fair to everyone, it means somebody has to foregone and you know, becoming, okay, I cannot get it. I have to compromise. And this is where we are. Yes, we have been facing that. Not everyone is happy but [being] compromising and understanding what we have reached, especially in our decision, is a very important development.

Tess: That's right and I guess the other thing is making sure that everybody stays at the table, that you keep the dialogue going, you keep the channels of communication open so that you don't have people just sort of saying, well, we'll just not going to played by… we're just not going to be in the game anymore.

Dalsie: That is very, very true and that is the way forward in all our discussions and in all our consultations. It's very important to get them onboard. All our stakeholders state their views, have what are the concerns and we work on addressing to make sure that everyone's happy in that sense. But one thing that makes us so unique in the region is being totally independent.

By being independent from all the stakeholders, a decision is independent, it means we are sending a signal to the investors especially the operators that we are not being influenced. It's the independent decision after consulting all the stakeholders. And that also gives them some certainty in their investment and this is very important.

Tess: It is because, I mean, in this sector, we're looking at people that can be investing huge amounts of money whether in infrastructure or other things. It's not a small money game, I mean, people are looking at putting in large amounts of money. They're going to need a long term return on their investments. So, I appreciate your point on that aspect of certainty or predictability about the environment is very important to them.

Dalsie: That is correct. I think you have read it very well and it is indeed what we are promoting and it is indeed why the operators are coming forward. Even for example, to have in, to report back statistics of development in Vanuatu, it's not easy to get those statistics but having the trust and being confident and showing to them that no, this is an independent decision, this is confidential information that we bring in and then we put together and we send out to the government and citizens to know the trends in the telecommunications market in Vanuatu.

Tess: Okay, I think that's really important information for us to have. So, we've touched on it slightly but I just like to explore a bit further. Looking to the medium to longer term, what do you think are some of the challenges that your office is going to be facing?

Dalsie: A number of challenges that we are currently facing but you know, we'll just have to move on or find ways of how to address, (1) it's the sustainability, given that it's totally financed by the 2.25% of the net revenue for the telecoms, operators' licence fees, then that's where we are.

And also, particularly having World Bank and Australian aid that are currently assisting with funding is very important for us which is why we are now working on other sources of revenue to get us there. So, it's financial sustainability, it's operations.

And then secondly is that, it's now becoming what we call the convergence environment, converged environment. This means it's telecommunications plus the broadcasting. For example, two operators are already indicating to not only provide telecommunications but also broadcasting.

So what does that mean to us? At the moment, we don't have that framework of broadcasting. Given that the broadcasting is now under the Prime Minister's Office and it's both a regulator and operator. And that's already giving the question mark to the operators. So those are other challenges that we are facing.

The next one is, you may have heard of over-the-top services. Those App services like WhatsApp, Skype, Viber, those that you know, you're using the applications to communicate, you know, the voice, communications through internet. This is another challenge that we have to work on. But at the same time, we want to—

Tess: So what is the challenge there?

Dalsie: The challenge in there is that now, having a third party within there, it's a value-added service, a third party that comes in and is going to use some infrastructure in there to pass on that new service.

Tess: Yes, but they're not contributing to the costs.

Dalsie: For the operators, it's not an easy life and an easy ride for them, even the government. But, at the same time, for us – the citizens, that's what we need, that's what we want. We want something cheaper at our level. But how can the regulator come in to address that to make sure that it is there for the consumers, but at the same time, hearing the operators' concern because they're maintaining—

Tess: They're losing revenue because people are using these other methodologies. And I guess that also indicates, and I think, that is a very good example of how the sector that you're in is one where the technology is changing so rapidly. We all find it hard to keep

up with the latest apps and different methods. So, is that a challenge as well, maintaining your technical awareness?

Dalsie: That's correct. Technical awareness is very, very important. Not just within the TRR but it is also important for the citizens. You have to be aware. For example, if you're not careful with your credits and you don't understand the technology that you're using, surely you will lose that credit and you'll be perceiving that the operators are stealing from you. It's your understanding. You have to know and you have to understand.

Tess: And it is difficult. I was in Fiji a couple of weeks ago and went to get a sim card and this young person sort of opened his mouth and all these words came. It was like 'I have no idea what you'—I know I'm not getting best value out of the bundle that I bought because I haven't devoted the time to looking at it and understanding and making use of it. And obviously, so I'm probably not getting good value for money because I just couldn't be bothered, I didn't have time.

Dalsie: Yeah, exactly.

Tess: But for people on low incomes that are relying on this and are needing to watch every vatu, it's really important that they are able to understand these things.

Dalsie: It is very important in that sense and especially for us because illiteracy rate is higher. But at the same time, we see them to be using, coming online and using cellphone. It means something, you know.

Now, if we are, for example, we're rolling out at the moment to reach the target that the government has already provided in the policy to say that by 2018, January 2018 we should reach 98% of the broadband.

Broadband is the internet across, you know, 98% of the population coverage in terms of broadband and also voice, and that is massive. It is massive in a sense that okay, here we are. There is a broadband, you know, access and then there is a voice access.

What can you do? Now, if you're ready to effectively and positively utilise that access, that's good. But if you're not ready and you ... it becomes negative in your life, that's another important matter that we have to address now.

And that's also one of the challenge because here we are, with the most beautiful, the values, the cultural values we have and our traditions, at the same time, you say, it's a Christian nation and we want to promote and maintain this. But the same time, now it's

changing. The direction in terms of technology is changing and the people are turning around, our youth especially. They are brought up – we call them digital natives now.

Tess: Yes.

Dalsie: We call them digital natives. They come in straight into digital, which means that we have to make them learn their own culture and this is one of the challenge --

Tess: It is.

Dalsie: -- We have to be very careful with.

Tess: It is a challenge but then also access to this technology and these tools also creates an opportunity to spread, to share the values that we want to share.

Dalsie: That's correct.

Tess: Kids can watch YouTube videos of cultural ceremonies that are happening across the country. So there are lots of opportunities as well. It is essentially a set of tools and we can, I think, it's important that we don't forget that human beings make decisions as to how they use these tools or whether they use them for good things or less good things.

Dalsie: I am very pleased with your view, Tess. This is really, really good because it's exactly what we are promoting. We want to make sure that it is positively impacting the lives there. It is there to enable your life. It's not there to destroy and becoming something that you don't want as we heard from complaints received in the TRR which is why we turned our awareness to be in a much more kind of positively used, whatever is there, the access and the device.

Tess: As you say, it's all changing and it's having significant impacts at an economic level, at social level. So all of these things are part of this very quickly changing environment, that not just Vanuatu but other Pacific island countries are also dealing with.

Just to sort of broaden our discussion a little bit, what role, if any, do you see for a regional approach to telecommunications regulation in the Pacific and I guess this is partly coming back to the issue of sustainability. Can it be done cheaper or more cost effectively if we had a regional facility for telecommunications regulation?

And also, might help address some of the other challenges like keeping up and sharing experiences or is it something that you think needs to be done can only really be done on a national basis?

Dalsie: This a very important question and I'm pleased that you have asked that. At the moment, we have the Pacific ICT Regulatory Resource Centre and it's based at the University of the South Pacific. This is a centre where all the regions or all the island countries paid for membership, and by paying for membership they become part of the centre where they collect all the statistics, even providing capacity building for the nations. And it is something that we want to promote not just because at the moment there are very limited membership, I think, there's 5 – 7. But, we want more members, more island states to come in and be part of that.

Tess: So, I'm just going to push you on that because this whole concept of regional provision of services, is one but I thought quite a bit about but how useful is that facility to you on an ongoing basis in the work of this office?

Dalsie: Very good. At the moment, I must say we are still on the establishment process. We haven't had a very good output of it. It's because we're still establishing the institution. So, by establishing the institution, they need the support which is why we are providing support.

But to get the feedback and the return is when we involve the centre itself to comment on any regulatory framework that we have so that they could go around and check whether, you know, it's usable and it's being applied in one of our regional countries.

Tess: Okay.

Dalsie: So that's where we are at the moment with that centre.

Tess: Alright, so that's more like an information sharing collaboration.

Dalsie: That's correct.

Tess: What would you see as the likelihood or the possible benefit of upgrading that into a regional regulatory body that oversaw the regulation in this sector across all of its members?

Dalsie: That is an objective. That is what we want to achieve by establishing that center. It's the Centre that will provide all the resources we know we [will] not have if we don't have any money to get a consultant for the specific issue. So, that's the aim and we're going there. Already I could see we will achieve that.

Tess: Okay. And do you think that's going to be beneficial for Pacific countries?

Dalsie: That's going to be very beneficial for the Pacific countries given that at the moment, if one is involved setting up their regulatory institution based on projects. It's a support that is provided mostly by the World Bank and some other aid donors I could say.

Tess: So a related question, I think is, based on your experience with TRR and I know you were with the organisation prior becoming the regulator, what do you think the process or the progress of TRR has to teach us about regulating other sectors?

Dalsie: That is a very good question. At the moment, I have to say that we were consulted, about regulating the broadcasting as well. But my only concern in here is that we have not that proper framework established for telecommunications and we have to be very careful with this because once we get into converge, then we might be sidetracked.

I'm more concerned, especially because we're still rolling out instead of accessing and usage. At the moment, we are connecting and by connecting, we have to be focused and make sure that we connect everyone that the government wants to be connected.

But at the same time, here comes the convergence which means that, okay, for example, in Samoa, it's a converged regulator and even in PNG. Its regulator for Samoa, it's regulator for utilities but broadcasting, water and telecommunications, all in one, it's the same regulator.

PNG is the converged regulator. This is now broadcast and telecommunications. But in Vanuatu, it is purely telecommunications but there is potential to consider other areas as well, particularly broadcasting. But I think it is still early to consider that given the resources, the financial resources.

Tess: I mean, certainly you know I've been asked about this as well, you know, should we just have one regulator? And I can see that they're certainly there are technical aspects, that you need technical expertise. But, when it comes to the more sort of back office things like, you know, economists to do economic studies or secretarial and administration, human resources, financial management, I think there is something to be said for having a combined suite of those generic services that all the regulators need and then maybe adding in the more technical aspects, whether it is for telecommunications or utilities or water. So, I think that's something that I think we'll probably be talking about again in Vanuatu because I think it is going to be an issue because as you say, sustainability is an issue.

Dalsie: That's correct.

Tess: That does create a potential to achieve some cost savings.

Dalsie: Yeah, that's correct. And, it's not just from us and it's not just from you and I. I believe the government is also considering that and you know, we don't really know when it's going to become a topic or an agenda for discussion.

Tess: Yeah, well, I think it will be on the agenda and we'll look forward to seeing how things develop. Dalsie, thank you very much for your time.

Dalsie: Thank you very much for this interview. I am very, very pleased to have you talk.

Tess: You're very welcome. It was good to catch up with you.

Dalsie: Thank you.

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