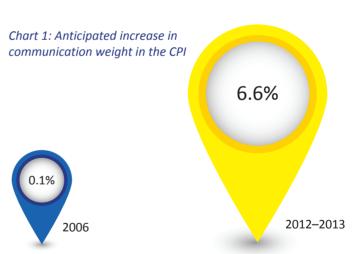


Introduction

The following fact sheet provides a summary of information addressing the Information Technology and Communication Sector which was collected from the 2012/2013 Nauru Household Income and Expenditure Survey (HIES). A range of information will be provided throughout this fact sheet ranging from how much households in Nauru spend in this sector through to access to and use of IT and communication facilities.

This topic is of great interest in Nauru given the significant changes which have occurred on island in this area since the last HIES in 2006. The most noticeable of these changes is due to the arrival of Digicel in September 2009 which has seen the development of a mobile phone network and wireless internet service for the first time. This will become very evident when the Nauru CPI re-base takes place where it is estimated the contribution of the communication sector will rise from 0.12 percent previously, to an estimated 6.63 percent. This indicates that prior to the arrival of digicel, communication accounted for 0.12 percent of a typical households expenditure, whereas at the time of the 2012/2013 HIES it is estimated this has grown to 6.63 percent.

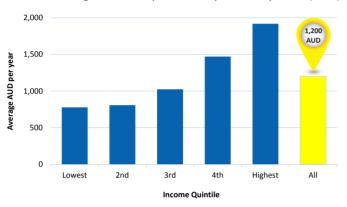


Communication Expenditure

Nauruan households spent very little money on communication prior to the arrival of Digicel in 2009. Since then however, Nauruans have been exposed to far better communication facilities, especially with the introduction of a mobile phone network and wireless internet service. As a result, a typical household spends a lot more of their annual budget on communication now, when compared to the pre-digicel days.

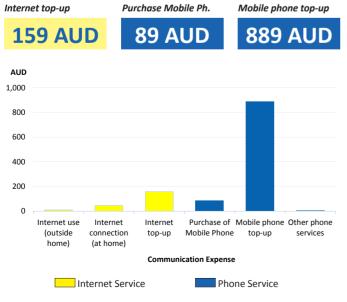
The analysis below shows that at the time of the survey, a typical Nauruan household spends approximately 1,200 AUD a year on communication which forms around 6 per cent of their overall expenditure on items they consume (goods and services). This amount differs considerably depending on the earning power of the household with households in the bottom income quintile spending approximately 780 AUD a year on communication compared to households in the top income quintile who spend approximately 1,920 AUD a year (2.5 times as much).

Chart 2: Average Annual expenditure by income quintile (AUD)



The HIES collected communication expenses across three main service areas – postal, internet and phone. Expenditure on phone services were by far the main contributor to a typical households expenditure in this sector, which was largely due to the large amounts of money a typical household spends on mobile phone top-up cards (889 AUD per annum), and to a lesser extent on the purchase of mobile phones (89 AUD per annum). Top-ups for DigiNet modems was the most significant expenditure for internet services with 159 AUD per annum.

Chart 3: Average Annual HH Expenditure on Communication (AUD)



Nb: Postal services are not covered in this analysis due to their insignificance

Internet Access

Households across Nauru can now access the internet at home by purchasing a DigiNet modem with a pre-determined plan and then connecting this modem to their home personal computer or laptop. This internet service is available in all districts around the island. At the time of the HIES, it was estimated that approximately 29.3 per cent of households had access to the internet via this service. This incidence of connectivity differed significantly around the island with the district of Boe having the highest incidence of connectivity at 51.4% with the area of Location having the smallest incidence of connectivity at 16.9%.

Chart 4: Percentage of households with internet access at home by district

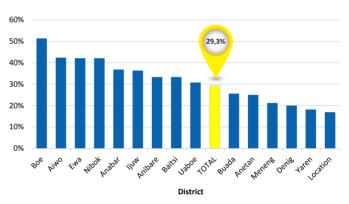
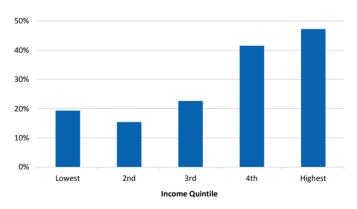


Chart 5: Percentage of households with internet access at home by income quintile





IT – 1.3: Household internet access

Households with Internet Access = 499/1704 x 100 =

29.3 %

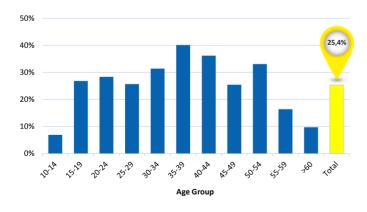
Internet Use

The survey reported that approximately 25.4 percent of persons aged 10 years and over accessed the internet in the month prior to being interviewed in the survey. As expected, persons aged between 15 and 54 accessed the internet the most, with as many as 40.1 percent of persons aged 35–39 using the internet in this reference period. The numbers were at their lowest for the youngest age group 10–14 (6.9%), followed by the oldest age group 60+ (9.7%).



The most common mode of accessing the internet for Nauruans was via their mobile phone, with an estimated 1,094 persons (14.6%) using this mode in the month prior to being interviewed. This was closely followed by gaining access at home with 1,079 persons (14.4%) reporting using this mode during the same reference period. These two modes were the most common by a long way with the next 2 main modes of access being at work (166 cases - 2.2%) and at an internet cafe (73 case - 1.0%).

Chart 6: Individuals Internet Usage by age, 10+





IT – 1.4.1: Individual access to internet
Internet Use (Persons Aged 10+) = 1,897/7,469 x 100 = 25.4 %

Table 1: Source of individual internet use by main three source options (10+)

Source	Home	Work	Cafe	Educa- tion	Other House	Mobile	Other	Total
Source 1	1074	82	47	0	10	682	2	1897
Source 2	5	81	24	3	0	382	0	495
Source 3	0	3	3	0	0	30	4	40
All sources	1079	166	73	3	10	1094	7	n/a

Access to Communication

An estimated 61.9 percent of Nauruans aged 10 years and over reported owning their own mobile phone in the survey. This peaked for the 40-44 year age group where 80.2 percent reported owning a mobile phone. Although the numbers were down for the youngest age groups, there were still 25.3 percent of 10–14 year olds reporting they owned a mobile phone.

Surprisingly the income quintile the person belonged to didn't have a major impact on the likelihood of phone ownership with 59.7 percent of persons belonging to the bottom income quintile reporting owning phones which was only 6.5 percentage points lower than those individuals in the highest quintile with 66.2 percent reporting owning a phone. A potential reason for this is the relatively cheap cost of a simple phone which makes it still quite affordable to persons on lower incomes.

Analysing the information at the household level, an estimated 95.0 percent of households had at least one member of the household with a mobile phone, with as many as 11 mobile phones being present in the one household. The most common number of mobile phones for a household in Nauru was 2 with 495 (29.0 %) households reporting this number.

Chart 7: Percentage of persons with mobile phones by age group, 10+

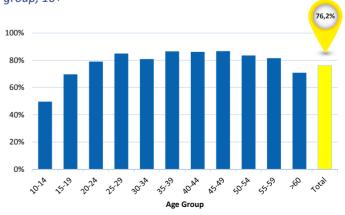


Chart 8: Percentage of persons with mobile phones by income quintile, 10+

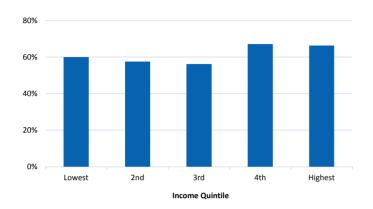
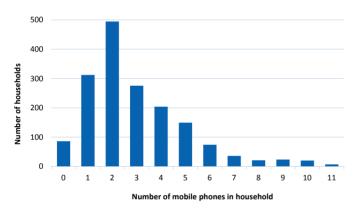


Chart 9: Number of households with Number of mobile phones



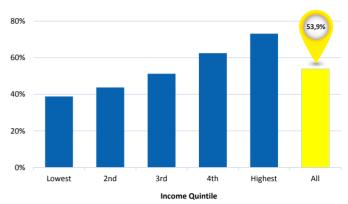


IT – 1.1.2: Household access to mobile phones Households with a mobile phone = $1,618/1,704 \times 100 = 95.0\%$

Another key communication related item collected in the survey was household's ownership of a home computer/laptop. This key household item makes the household access to the internet more feasible.

The proportion of households across Nauru with access to a home computer/laptop was estimated at 53.9 percent and as can be seen from the analysis below, this differed quite significantly depending on which income quintile the household belonged to, with only 38.8 percent of households in the lowest income quintile indicating ownership of a home computer/laptop, compared to 73.1 percent in the highest income quintile.

Chart 10: Home Personal Computer/Laptop



Phone Use

Although only 61.9 percent of persons aged 10 and above reported owning a mobile phone in the survey, 76.2 percent of persons in this age group reported using a mobile phone in the last month. These figures were naturally higher in the middle age groups, but even the youngest age group, 10–14 year olds, showed a significant amount of phone usage (49.6%) as well as the oldest age group, 60 years and over, with 70.8 percent reporting using a mobile phone in this reference period.

Chart 11: Individuals who used a mobile phone in last month

