



**Michael Aird, MLC**  
Treasurer

Wednesday, 22 April 2009

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## Termination of Basslink Telecoms Agreement

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The Treasurer, Michael Aird, today announced that the Government and Basslink Pty Ltd had agreed to terminate the Telecoms Agreement.

The Telecoms Agreement was a commercial agreement between the State Government and the original owners of Basslink. It has played an important role in promoting competition in telecommunications in Tasmania.

"The Government's focus has been on improving telecommunications competition in Tasmania and the Telecom's Agreement has been important in facilitating this," Mr Aird said.

"Aurora, which has been chosen as the Government's strategic partner, last year entered into separate commercial arrangements with Basslink Telecoms to open up new broadband services into Tasmania.

"Aurora will use the Government's optic fibre on-island together with the fibre in the Basslink cable.

"Now the Basslink optic fibre is being commercialised, the Telecoms Agreement between the State Government and Basslink Pty Ltd is no longer relevant.

Mr Aird said the Government will have made payments in total to Basslink of \$5.3 million over the period commencing July 2006 until earlier this year.

"In terminating the arrangements, the Government has eliminated a contingent liability to the State of up to \$35 million over the life of the agreement," he said.

"The National Broadband Network will see Tasmania move to a position of world leadership in Fibre to the Premise (FTTP) technology, with direct fibre to 200 000 premises and broadband speeds initially 100 times faster than currently available.

"Basslink will play an important role in providing competitive links between the mainland and Tasmania.

"The Government understands that Basslink will light their fibre soon and are finalising arrangements in Victoria.

"The state-wide Aurora network is open for business and Aurora already has a number of customers using the on-island network.

"Aurora has completed all the work on the Tasmanian side of the Basslink cable and is ready to provide services to mainland Australia as soon as Basslink gives the green light."