



MEDIA RELEASE

TREASURER MUST RESPOND ON BASSLINK FIBRE

(FOR IMMEDIATE RELEASE)

Launceston, TAS, May 7th 2008 -- Broadband consumer action group *Digital Tasmania* today joined the call for the Treasurer to come clean over the State Government's continued failure to commercialise the Basslink fibre optic cable.

The call came after it was revealed that 2006-2007 budget papers showed payment of \$2 million to former owners of Basslink, National Grid, in relation to the dormant fibre optic cable.

Andrew Connor, a spokesperson for Digital Tasmania said that the group had sought answers from both the state government and Aurora, which the state government nominated to operate the Basslink fibre in December 2007.

The group's requests to meet with Treasury officials prior to the budget were declined, while Aurora refused to comment, referring enquiries to the Treasurer's office.

Digital Tasmania understands that the annual payments of \$2 million form part of a 15 year telecommunications agreement with the owners of Basslink that was initially entered into by Hydro Tasmania, and subsequently handed over to the state government.

"It's time for the Treasurer to front the Tasmanian public and explain to them just what they are getting for their \$2 million per year."

Mr Connor said that industry estimates put the cost of laying fibre from Victoria to northern Tasmania at around \$30 million, and from Sydney to Hobart at approximately \$40 million.

"If this agreement runs its full 15 year course, by 2021 the state will have paid the equivalent of the purchase price of this fibre, with nothing to show in return."

Telecoms analyst Paul Budde estimated¹ in 2003 that improved broadband represented an economic benefit in excess of \$200 million per year to the state of Tasmania.

"Just yesterday, national ISP Internode announced price cuts to their high speed consumer plans across the rest of the country, on the very same day they ceased offering those plans in Tasmania."²

Internode previously³ cited the failure to commercialise the Basslink fibre as a key factor in their decision to scale back services to Tasmania.

"We have to remember that ISPs will only continue to service the state whilst they can afford to do so. The failure to commercialise Basslink has this flow on effect we're seeing, and Tasmanian consumers are the ones who lose out in the process."

The Treasurer also must move to immediately answer the following questions:

- When will capacity be available on the Basslink fibre optic cable for ISP's and other large commercial data users?
- When will capacity be available on the fibre optic network laid with the Gas pipeline for ISP's and other large commercial data users?
- What is the location of the Points of Presence (POPs) that the "Connect Tasmania Core" provides?

“Every day this cable remains unused it represents a loss to this state that has a real dollar value, plucked straight from the pockets of everyday Tasmanians. This government simply must get the Basslink fibre going.”

About Digital Tasmania:

Digital Tasmania is a consumer action group, created to give a voice to the views and needs of Tasmanian consumers in the digital age. More information can be found on the group’s website, <http://www.digitaltasmania.org/>

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For further comment or to schedule an interview, contact Digital Tasmania on 0432 870 881, or email media@digitaltasmania.org

¹ http://www.budde.com.au/News_and_Views/2003/December/TASSIE_BROADBAND_EOI_DOOMED_TO_FAIL_-_DECEMBER_2003.aspx

² <http://www.internode.on.net/news/2008/05/90.php>

³ <http://www.internode.on.net/news/2008/05/89.php>