



MEDIA RELEASE

TASMANIAN NBN PARTICIPATION A WELCOME DEVELOPMENT (FOR IMMEDIATE RELEASE)

Launceston, TAS, 27 May 2008 – Consumer action group Digital Tasmania has welcomed media reports that the Tasmanian State Government has lodged the \$5 million bond required to participate in the Federal Government's National Broadband Network (NBN) tender process.

Digital Tasmania spokesperson Andrew Connor said that it was a step in the right direction, but cautioned that the state government should not adopt a "wait and see" approach, but continue to work with Basslink Telecom and Aurora towards commercialising the Basslink optical fibre.

"This announcement shows that the state government does recognise the unique challenges Tasmanians face in getting affordable and fast broadband access through their chosen ISP. We are pleased that they are making a genuine attempt to address this through participating in the NBN tender process."

"The state government however must not allow its participation in the NBN tender to further hold up the commercialisation of the Basslink fibre optic cable."

"We have already seen considerable delays in awarding Aurora the Connect Tasmania tender. We understand this was partly due to the state government waiting for the outcome of last year's Broadband Connect Infrastructure Program, eventually awarded to OPEL Networks. The state government must not make the same mistake twice."

Digital Tasmania said that there was no reason that negotiations with Basslink Telecom should not continue while the Federal government evaluates NBN proposals, which currently do not have a concrete submission date. The likelihood of the NBN tender being awarded and meaningful work being done before the end of 2008 appears to be diminishing rapidly.

"These projects are complimentary to one another, but the Basslink fibre was on the drawing board before the National Broadband Network was even conceived. The target markets, although related, are not the same."

Mr Connor said that the commercialisation of the Basslink fibre would serve large enterprises and the wholesale market, while NBN was aimed at consumers and small business broadband users.

"Large data consumers, such as ISPs, call centres, companies like Betfair, educational institutions, et cetera - these aren't the target for the National Broadband Network. These are the customers who are waiting for Basslink."

"Even after the National Broadband Network is online, many ISPs will still need to transfer data across Bass Strait, and Basslink, when it becomes active, will offer them another competitive option to do so."

The group also raised the possibility of another fibre optic cable being funded through the National Broadband Network.

"The OPEL Networks proposal last year showed that, even with the existing fibre laid across Bass Strait, there is still the possibility of a fourth fibre-optic cable being laid. In the interest of both competition, and security through redundant connections into the state, we would expect that any serious NBN bid for the Tasmanian market would at least consider this option."

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