

MEDIA RELEASE

BASSLINK FIBRE ACTIVATION

(FOR IMMEDIATE RELEASE)

Launceston, TAS, 6 July 2009 – Digital Tasmania congratulates Basslink Telecoms, Aurora and the Tasmanian Government on the commercial launch of the Basslink fibre optic component of the Basslink electricity cable between Tasmania and Victoria.

Digital Tasmania spokesperson Andrew Connor said that the long-awaited announcement marked the beginning of a new era in telecommunications in the state.

“The foresight shown almost a decade ago in recognising the potential to co-locate fibre optic services with both the Basslink Power Interconnector and the trunk routes of the natural gas pipeline has finally paid off. Add to this the recent NBN announcement and in the space of 6 months we have gone straight to the head of the class in broadband access.”

Mr Connor said that reduced backhaul costs will enable more companies to deliver improved and more varied Internet services in Tasmania.

“Until today, only one company has had control of fibre optic telecommunications into and out of the state. This has led to high prices, many multiples higher than both domestic and international routes.” “Already, we are hearing from ISPs about the positive effect of a serious competitor in this market.”

“Services such as cheaper wireless broadband, faster business to business connections and better value for money ADSL2+ services are amongst some of the benefits we may see announced in the coming months.”

“Already major national ISPs Netspace and Internode have announced significant expansion of their infrastructure into more exchanges, offering customers in those areas savings of up to \$40 per month.”

Digital Tasmania last year raised the issue of the then unused Basslink fibre optic cable, for which Tasmanian taxpayers had been footing the bill since April 2006. During that period, despite the fact the cable was unused, the Tasmanian Government was contractually obligated to pay \$2 million per year to the cable’s owners, initially National Grid Australia, then later CitySpring Infrastructure Trust.

In November 2008 the Tasmanian Government announced that both Aurora and Basslink Telecoms would provide services between Melbourne and Hobart. The land route from George Town to Hobart is provided by TasGovNet, the fibre optic cable laid with the main gas pipeline.

The activation of Basslink brings to 3 the number of fibre-optic cables across Bass Strait, two of which are wholly owned and operated by Telstra.

Digital Tasmania has already raised with the State and Federal Governments the need to fund an eventual fourth cable as part of the National Broadband Network (NBN) - cost estimates for such a cable range between \$30 and \$40 million depending on the route chosen.

“A fourth cable is a long term project for the State of Tasmania. The time to deliver any new undersea cable is estimated to be at least two years from the date of commissioning; this would fit in well with the National Broadband Network’s timeframes and provide reliable, competitive backhaul across Bass Strait.”

“We are determined not to let Tasmania slip back in the pack when it comes to broadband. The NBN will produce a massive increase in demand for backhaul – whether this increase can be absorbed by the existing cables in place remains to be seen.”

Digital Tasmania is a consumer action group, created to give a voice to the views and needs of Tasmanian consumers in the digital age. <http://www.digitaltasmania.org>

Basslink Timeline

<http://www.digitaltasmania.org/get-basslink-going/timeline>

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