



12 May 2009

Backhaul Blackspots Branch
Department of Broadband, Communications and the Digital Economy
GPO Box 2154
Canberra, ACT 2601

To the Manager,

LETTER OF SUPPORT: BACKHAUL BLACKSPOTS INITIATIVE

AUSTAR is one of Australia's leading subscription television providers, supplying digital television services to customers in regional and rural Australia. Our product vision, supported by customer feedback, is that our television customers would value the ability to purchase and bundle multiple products from AUSTAR, and that we could deliver new services efficiently given our best-in-class customer service facilities.

To this end, in 2006 AUSTAR commenced a phased roll out of wireless broadband services, launching in Wagga Wagga and Tamworth. Shortly after, due to the announcement of the Broadband Connect Infrastructure Program, AUSTAR paused its deployment to coordinate further investment with a possible broader solution. In both our commercial plans and later as part of the AUSalliance consortium with Unwired and Soul, backhaul costs and coverage were recognised the key limiting factors to a regional access network.

AUSTAR welcomes the Federal Government's recent announcement that it will establish a new National Broadband company and in particular commends the commitment to take immediate steps to improve the supply of transmission services into regional centres. Although AUSTAR's deployment plans always engaged a third party for the supply of backhaul services, our partners have indicated that Tasmania and the Northern Territory in particular are areas which have suffered from the lack of competitive infrastructure.

The lack of competitive and sustainable backhaul pricing is one of the key contributors to the substandard services and prices in regional areas today. Immediate improvements in transmission availability, when combined with investments in fixed or wireless customer access networks, should deliver a rapid improvement in the services on offer in regional Australia. Equivalent backhaul pricing is an essential ingredient if retail services are to be offered on a competitive and equivalent basis in regional markets.

For this reason, AUSTAR is pleased to be able to offer a letter of support for the initiative to address backhaul blackspots in regional areas as an immediate step towards a greater National Broadband solution.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Deanne Weir".

Deanne Weir
Group Director Corporate Development and Legal Affairs