



12 May 2009

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

Dear Sir/Madam

AUSTRALIAN GOVERNMENT BACKHAUL BLACKSPOTS INITIATIVE

Powercor Australia welcomes the Australian Government's Backhaul Blackspots Initiative and provides the following views for consideration by the Government.

Powercor Australia currently distributes electricity to communities in Western Victoria of which many are serviced by a single backhaul provider.

Issues for Consultation

1. Backhaul Blackspot Locations

As an essential service provider operating throughout Western Victoria access to adequate communication services is fundamental.

A review of potential backhaul blackspot locations within Powercor Australia's service area would include the following locations:

- Mildura;
- Warrnambool; and
- Horsham.

Whilst no detailed route planning has been undertaken to support this submission, we believe that by extending backhaul services to these locations the following communities could also be serviced;

- | | | |
|-------------|---|--|
| Mildura | - | Charlton, Donald and Ouyen
Alternative or loop routing could extend this to service
Swan Hill & Kerang |
| Horsham | - | Ararat and Stawell |
| Warrnambool | - | Colac, Camperdown and Terang
Possible route extension to Mt Gambier via Portland |

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HEAD OFFICE

40 Market Street, Melbourne VIC Australia **Telephone:** (03) 9683 4444 **Facsimile:** (03) 9683 4499 **Postal Address:** Locked Bag 14090, Melbourne VIC 8001 Australia
CitiPower General Enquiries: 1300 301 101 www.citipower.com.au ABN 76 064 651 056
Powercor General Enquiries: 13 22 06 www.powercor.com.au ABN 89 064 651 109

2. Design and Operational Parameters

Detailed design, timeframes and costing proposals will be provided in response to the upcoming Request for Tender.

It should be noted that CitiPower and Powercor Australia have a strong telecommunications history having:

- established Powercor Telecom which subsequently became Silk Telecom operating as standalone business under the ownership of our parent company; and
- constructed and managed (via Powercor Telecom/Silk Telecom) an extensive fibre network throughout several major Victorian regional centres and the Melbourne CBD.

In May 2008 Silk Telecom was sold to Nextgen Networks who continue to manage and operate our network.

3. Operational and Ownership Arrangements

CitiPower and Powercor Australia is open to discuss a range of operational and ownership models to assist the Government in achieving its objectives and the requirements of its National Broadband Initiative.

We note that the Government is currently conducting a parallel discussion on 'Regulatory Reform for 21st Century Broadband' and that the ultimate outcome of this reform may impact on the operational and ownership arrangements applicable to any backhaul build that results from this Backhaul Blackspots Initiative.

Yours sincerely



Garry Audley
General Manager Electricity Networks
CitiPower Pty and Powercor Australia LTD