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12th May 2009

The Manager
Dept of Broadband, Communications and the Digital Economy
GPO Box 2154
Canberra ACT 2601

Dear Sir/Madam,

RE: Backhaul Blackspots Initiative Stakeholder Consultation Paper

Digital Distribution Australia Pty Ltd (DDA) is an established regional wholesale backhaul provider. We have an operating microwave radio network extending from Rockhampton to Melbourne. DDA has successfully established itself as a niche regional access and back haul service provider with a client base of telecommunications carriers (including Optus, Vodafone and SPT), regional ISPs and regional television broadcasters. (Please find attached a map of our network coverage and company profile.) DDA has a proud history of providing quality wholesale services and introducing competition to regional Australia

We would like to highlight the suitability of microwave radio as a fast roll out and cost effective solution to regional backhaul and suggest that this technology should not be excluded from the proposed tender. We suggest that any tender should not specify technology but leave the market to propose the best technical solution to deliver the desired services.

Whilst we are not suggesting radio suits all applications, it is relatively quick and cheap to deploy when compared with fibre and should be considered as one option for delivering capacity to remote and regional Australia with capacity up to 2Gbps.

There are many areas of Australia where 2Gbps would be more than enough capacity for the foreseeable future, either as a permanent or interim solution, and where radio can be cost effective when otherwise the area would never justify the expense of a fibre build.

Radio also has the advantage of minimal property issues by comparison with fibre. With radio there is no need to negotiate with every land owner along the route, as with a fibre installation, instead a radio network just needs a tower, often pre-existing, every 30km or so.

We also counsel caution when defining a backhaul “blackspot”. We understand the current definition to be an absence of 3 or more fibre providers. This would seem to us to be too cautious and fails to recognise that a second provider, not necessarily using fibre optic, can bring price competition to an area.

We know this to be a fact from our own experience in Mildura. We began services into Mildura in early 2006 and have seen backhaul prices fall at least 40% from 2006. The success of our presence in Mildura has resulted in two subsequent upgrades in capacity to the network reflecting the demand for services that competition and competitive prices bring.

We hope our comments are helpful and look forward to receiving the tender.

Yours Sincerely

Peter Lambourne

Managing Director – Digital Distribution Australia Pty Ltd

1 INTRODUCING DDA

Digital Distribution Australia (DDA) owns and operates a state of the art broadband telecommunications network extending from Melbourne to Rockhampton, with particular emphasis on serving regional Australia with true infrastructure based telecommunications competition.

DDA is a licensed carrier and offers digital television distribution services to broadcasters and wholesale carriage services to the Australian carrier market.

Our customers include the regional television broadcasters WIN, Prime, Southern Cross and 7 Queensland, Optus, Vodafone, Soul and others.

1.1 HERITAGE

Digital Distribution Australia (DDA) was incorporated as ntl Telecommunications in 1999 as a joint venture between ntl Australia, WIN Television and Southern Cross Broadcasting.

DDA commenced the construction of its broadband network in 2000 and began full operations in 2001. This network is one of the world's largest broadband microwave radio networks, consisting of over 8,500 route kilometres, with a capacity of 1Gb/s. In addition to microwave route and equipment diversity, the network also incorporates third party fibre capacity between capital cities. A leading edge ATM platform has been deployed throughout the network to provide a flexible multi-service capability with guaranteed Quality of Service for demanding modern telecommunication applications.

In 2002 NTL UK, as owners of ntl Australia, sold ntl Australia to Macquarie Bank. In 2004 WIN Corporation Pty Ltd bought ntl Telecommunications and renamed the company Digital Distribution Australia.

WIN Corporation Pty Limited is a private Australian company whose principal activity is Television broadcasting through WIN Television in Queensland, NSW, ACT, Victoria, Tasmania, South Australia and Western Australia serving a population of 4.8m people.

1.2 BUSINESS

DDA has a business model which has proven successful in a short period of time. This business is built on a strategy of infrastructure based wholesale capacity to regional Australia, delivering mission critical and complex real-time services. DDA is continually expanding network coverage to meet the demands of the regional market and increasing the bandwidth capabilities of high speed networks in Sydney, Brisbane and Melbourne.

The following map shows the extent of the DDA network today with known expansions.

