

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

Dear Sir/Madam

BACKHAUL BLACKSPOTS INITIATIVE STAKEHOLDER CONSULTATION PAPER

Thank you for the opportunity to comment on the Backhaul Blackspots Initiative Stakeholder Consultation Paper.

The Commission views broadband as a vital piece of regional infrastructure of similar importance to the rail network in the 19th century. We welcome the Commonwealth's decision to establish the National Broadband Network (NBN) and see it as an opportunity to further develop the technology and creative industries in our region.

The Commission has a vision for future broadband in the region that all homes should have access to speeds of 10-100Mb and 1-10GB for businesses.

The Commission's response will be based around the location issues and the need for the South West Region to have an alternate wholesale broadband fibre link.

Issues for Consultation

- *Priority locations that are lacking an alternative backhaul supply and the reasons for their priority.*

The Greater Bunbury area is home to approximately 60,000 people with its population increasing at an average annual growth rate of 3.6 per cent over the past five years. This is more than double the national population growth rate of 1.4 per cent for the same period. Neighbouring Busselton with a population of 27,500 (2007) grew at a rate of 2.8%.

Currently, there is one wholesale optic fibre network available in Bunbury, which like most parts of regional Western Australia is owned by Telstra. Optus have fibre running into Bunbury but this is part of a redundant link for their national transmission network and is not wholesalable. The lack of a wholesalable fibre alternative has been confirmed in discussions with national ISP iiNet, who like other ISPs servicing the Bunbury area, rely on Telstra-owned fibre for backhaul.

Backhaul on this Telstra link can be purchased through a number of resellers however pricing is still heavily influenced by the owner of the infrastructure, Telstra. This effectively means that there is little real competition for wholesale broadband in the Bunbury market.

Cost of bandwidth (wholesale) delivered to the region has been quoted at close to \$800/Mb/month (plus \$20,000 install fee) compared with just over \$300/Mb in Perth, yet Bunbury is only 180km from Perth's CBD. Therefore for a 50MB service, the additional backhaul cost for Bunbury (over Perth) is \$480,000 pa.

The cost of broadband in Bunbury has significant implications for existing and emerging industries. Geographe Enterprises (based in Bunbury) who use advanced robotics in the design and manufacture of specialised components for the mining industry have considered moving much of their operations to Perth due to the high cost of bandwidth.

A further consequence has seen small ISPs such as Ciphertel and Ocean Broadband constructing their own wireless backhaul links back to Perth to overcome this cost. This was an interim solution and will be unlikely to meet the high bandwidth needs in the medium to long term.

The Commission has been active in supporting the development of a digital industry in Bunbury with projects such as the new Australian Centre for Digital Innovation(ACDI). This project will establish Bunbury as a centre for digital animation production for the film and TV industry plus advanced 3D visualisation for mining and associated industry.

Broadband is significant from an operational perspective as the ACDI will be part of an international production network and rely on broadband to work in a 24 hour production cycle with partners in Europe and North America. Future expansion of this project however is likely to be impacted by the current cost of backhaul should this issue be unresolved.

Clearly, with broadband (and the cost of backhaul) a key factor in developing technology driven industry, it is vital that a level playing field exists so that such industry can be attracted to regional areas without significant cost disadvantages over a capital city location.

- *Possible routes for the links to the priority locations, including any potential locations where backhaul capacity should be broken out, and*

The Commission has been in discussions with the WA government agency Main Roads, concerning the use of easement of the New Perth-Bunbury Highway as a viable path from Perth to Bunbury. This would save considerable cost in terms of infrastructure build.

- *The contestable market in each location and the wholesale price points required to attract interest from access seekers.*

The Commission has been in discussions with carriers about resolving this issue for a number of years and presented a business case built around installing fibre along the new Perth-Bunbury highway in 2006.

Unfortunately, despite the growth of population and industry in the area, an industry driven business case has not been achieved. It is hoped that the NBN, together with demand in the region will deliver the desired outcome of an additional wholesalable fibre network

Conclusion

The Commission believes that a new wholesale fibre network from Perth to Bunbury (and Busselton) is essential to support both a growing population and an emerging IT industry in the region. Having only one owner of wholesale fibre into the region restricts competition and will, if unresolved, limit the economic development of our region now and into the future.

We therefore strongly recommend that Bunbury be considered as a priority for the rollout of fibre under the Backhaul Blackspots Initiative.

Further Information

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About the South West

The South West Region of Western Australia has a diverse economy which generated A\$9.867 billion during 2007/08. During the past five years the South West economy has been growing at an average of 11.6 per cent per year.

The region derived most of its wealth from a healthy mining sector (mineral extraction, mineral processing and mineral manufacturing) - which latest figures show generated around \$2.1 billion.

Although much of the region's prosperity is based on its mining sector, residents work in a range of industries including forestry, agriculture, tourism, retail, construction, and fishing.

The South West is world renowned for its premium wine industry, and as a quality tourist destination for both domestic and international visitors. The region offers an abundance of industrial land suitable for both heavy and light industries.

Businesses choosing to locate here enjoy the region's strong economic growth, low sovereign risk, an attractive climate and lifestyle, a skilled labour force and close proximity to the expanding economies of South East Asia.

The South West Development Commission, a WA Government agency, offers businesses support and advice on issues ranging from industrial land, exporting, migration, servicing industries and Government approvals processes.

SOUTH WEST KEY FEATURES



DATA DIRECTORY		
THEME	SOURCE	DATE
Cultural	DOLA / DME / DRD / W.A. Fishing Council	1987
Transport	DOLA	1987
Hydrography	DOLA	1987
Tenure	CALM	June 1995
LGA Boundaries	DOLA	June 1995
REVISED	DOLA	Nov 2002

Data source scales vary greatly.
Map product is to be used for broad based planning only.

Major Resource Projects
Potential projects in red

- Alumina
- Coal
- Gas
- Mineral Sands
- Silica
- Silicon
- Tin, Tantalum & Lithium
- Titanium Dioxide
- Iron Ore Downstream Processing Plant



	Major Roads sealed		Port
	Major Roads unsealed		Power Station
	Secondary Roads sealed		Industrial Park
	Secondary Roads unsealed		Arts & Crafts
	Gas Pipeline		Cropping
	Local Government Boundary		Fishing
	Railways		Grazing / Dairy
	Railway Reserves		Horticulture
	Region Boundary		Industry
	Rivers		Orchards
	Lakes		Processing of Primary Products
	Conservation Estate (gazetted)		Recreation / Tourism
	Major Towns (population > 5000)		Regional / Subregional Centres
	Towns (population > 500)		Timber Production
	Minor Towns (population < 500)		Viticulture
	Airport / Aerodrome		

