



MEDIA RELEASE

TASMANIAN ENTREPRENEURS FEEL BROADBAND PAIN (FOR IMMEDIATE RELEASE)

Launceston, TAS, May 5th 2008 -- Newly formed broadband consumer action group *Digital Tasmania* said today that Tasmanian entrepreneurs and small enterprises were the big losers in the State Government's failed attempts to commercialise the Basslink fibre optic cable.

The statement followed Friday's announcement by national ISP Internode that they will move to downgrade their service offerings in Tasmania due to delays in the commercialisation of the Basslink fibre optic cable. Andrew Connor, a spokesperson for the group said that a lack of choice in Tasmania's ADSL2+ broadband market was hampering small businesses. "We have been approached by a number of local entrepreneurs here in Tasmania and the message is clear: Fast and affordable ADSL2+ broadband is crucial to their bottom line." "The lack of choice in ADSL2+ services in Tasmania is a direct result of this State government's inability to get Basslink going."

One such entrepreneur, Gary Price, is an event producer who ran a successful small business in Sydney before moving to Tasmania nearly 10 years ago. He now operates The Grange Conference and Meeting Centre. "I own and run a brand new function centre in Campbell Town. Part of my original business plan for this new complex called for the provision of high speed internet and 2 way video conferencing."

Mr Price was disappointed to discover that due to the high costs of connecting to Tasmania, his ISP could only deliver a lower speed ADSL1 connection. "I still don't have 2 way video conferencing but at least I can supply a basic internet connection into my conference rooms." He views high speed broadband as an essential element of his business. "We will host close to 1000 meetings here in 2008. Most are Government and corporate clients. A high-speed internet connection into meeting rooms is now a standard part of corporate presentations." Mr Price fears that with ISPs now pulling out of providing high speed ADSL2+ in Tasmania his chances of being able to obtain 2-way video conferencing are even more remote.

Launceston IT consultant Chris Knight, from Chrisara Business Services, said that he saw the impact of limited competition in the state on a daily basis. "Our clients would typically like to have ADSL2+ or better to interconnect their offices, so they can easily exchange files and access their internal systems. The competition in that market is very limited."

Mr Knight said the costs became even higher when there was a need to connect to interstate offices. "The costs are such that businesses have to weigh up the impact of the ongoing communications cost with the cost of employing staff. More than one client has told me that for the cost of their communications they could employ at least another staff member."

About Digital Tasmania:

Digital Tasmania is a consumer action group, created to give a voice to the views and needs of Tasmanian consumers in the digital age. More information including its submission to the Senate Committee can be found on the group's website, <http://www.digitaltasmania.org>

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For further comment or to schedule an interview, contact Digital Tasmania on 0432 870 881, or email media@digitaltasmania.org