YLESS4U PTY LTD
62 Newington Road
BYWONG NSW 2621

4/07/2008

Dear Senator Conroy,

It would be much easier not to respond to this as we feel somewhat jaded in our experience with government and broadband, and it takes away precious time and resources from small business. In the hope that this may fall on different 'ears' in a different forum we are therefore making another effort.

We provide broadband to truly underserved and often remote areas in NSW around the ACT- and from our experience it would seem that although the government objective seems to be there for assistance in underserved areas - the constraints applied to small carriers/providers in our situation are prohibitive. These areas are not highly populated and often very rugged – the big providers have overlooked them (not a business case!) and will continue to do so unless offered generous incentives. Burra residents for example have been told that Telstra is not interested in them…..we also received the following words from a resident in another of the outlying areas of the ACT/NSW border region

*We are all ****** off with Telstra…… There are probably less than 100 phone numbers on our antiquated exchange 02 62xxxxx, and although only 10km as the crow flies to Parliament House, we are considered "rural remote" by Telstra. There is a subdivision going in down the road ……and it will hang off the same exchange. The exchange does not support adsl, barely runs a fax machine!*

A 'one-size-fits all' approach is not economic or a real solution in many smaller rural/remote areas, and they will not be covered by the FTTN initiative. Diverse solutions need to be available at the local level, where local experience counts and community interest/involvement is significant. It is quite feasible for small low cost providers to go to these areas to supply broadband – they can garner support from the community, and should qualify for assistance from the government. However, it appears that if the business case without funding is not strong enough then it is impossible to qualify for the ABG program. New networks in sparsely populated rural/remote environments with scattered users, will always seem less diligent in signing people up than providers to towns. Given some time and the assistance to overcome the slower uptake – small telecommunications carriers can establish and will be supported in these areas because they have community interest and confidence. Without them, who will assist these little communities? We are talking about remote in this case….. there are economies of scale - but it is not a big business case and this would be the same in rural/remote areas across Australia. Should these people be forced to use satellite? Many of our customers have left satellite to get our wireless service due to the problems with satellite, especially for rural businesses. Currently we are charging ~$1000 for installation of our fixed wireless. We use predominately XXXX equipment in a wireless local loop network, with bursting speed capability to

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14mbps, with sustained data rate capability of 7mbps. Faster speeds are possible but there is a cost barrier.

We are concerned about and are adversely affected by the major ongoing monthly costs of backhaul cost/price of interconnect to the Internet. The previous government talked about reducing these costs under the OPEL deal, with reduced prices supposedly available in September last year. We have previously written to DCITA/BCDE and you as the current Minister, regarding this. To date we have not received a response from you.

There are benefits to be had immediately for government and providers if such relief were available for legitimate rural/remote providers. Many networks (ours for example) already have the capability for faster speed, but the delivery of faster speeds is hindered by the high costs. There needs to be urgent action to reduce backhaul pricing for rural providers to allow residents and businesses in rural/remote areas the full capability and speeds that e.g. wireless broadband should provide, without being hindered by higher rural pricing.

We are deeply concerned at the Telstra estimates of $15-25 billion for the provision to Australians of broadband capability to meet your objectives of 12mbps. We believe that this objective could be achieved in regional and rural Australia in a shorter time frame and at significantly reduced prices from these estimates.

Yours sincerely

Anthony and Anne Goonan
YLESS4U

cc: The Hon. Dr Mike Kelly MP

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