

Government defends its broadband decision

RURAL homeowners who had hoped to get better, more reliable and cheaper access to the internet will be left waiting at the end of the line a lot longer – another seven years, in fact. The Federal Government has announced plans to axe a massive broadband internet scheme by cancelling the contract it signed with a joint-venture group called OPEL.

OPEL would have started delivering broadband internet to rural areas by the end of next year. It was a joint partnership between Optus, which is owned by Singapore Telecommunications, and Elders, which is owned by Futuris Corporation.

Federal Broadband and Communications Minister Stephen Conroy defended the government's decision to scrap OPEL, saying that it had

been determined that the network would have only covered 72 percent of 'identified under-served premises'.

Therefore it failed to meet the terms of the contract since OPEL's contract called for 90 percent coverage.

However the decision has met with disgust from WA Members of Parliament.

WA Liberal Senator Mathias Cormann said the decision would deny access to fast broadband internet for hundreds of thousands of Western Australians and Premier Alan Carpenter should demand the program is reinstated.

He said the cancellation of the contract meant that people living in rural areas would now have to wait until at least 2014 to access a broadband service that would be less reliable. Mr Conroy said Opel submitted its imple-

mentation plan in early January.

The network was to provide broadband coverage for 638,000 square kilometres across all states and territories.

Federal Member for Forrest Nola Marino also attacked the scrapping of the OPEL contract.

She said the OPEL access network was to be wholesaled to other telecommunication companies and internet service providers and would have offered prices 30 percent lower than existing levels.

Futuris and Singapore Telecommunications both told the Australian Stock Exchange of the contract cancellation two weeks ago.

OPEL was awarded a contract by the previous Federal Government to construct a broadband network for rural and regional Australia. Mr Cormann said the deci-

sion meant WA would miss out on 113 WiMAX wireless internet base stations as well as 49 telephone exchanges being fitted with ADSL2+ technology.

According to the companies' statements to the stock exchange, the current government has cancelled the contract because it believed the implementation plan did not meet prescribed coverage requirements.

The government was also concerned that networks would be duplicated, as it had proposed its own fibre-to-the-node broadband plan, according to the statements.

Ms Marino described the Federal Government's national fibre to the node plan as 'vague', saying that while it was likely to enhance services in capital cities and other densely populated areas, but fail to deliver for people living in rural, region-

al and remote areas.

Mr Conroy said the government had committed \$4.7 billion to build a high-speed, open access, fibre-based national broadband network.

He said the government's broadband network would deliver minimum speeds of 12Mbps to 98 per cent of Australian homes and businesses. The remaining two percent would continue to receive support through the government's \$95 million investment in the Australian Broadband Guarantee for 2008-2009.

Futuris and Optus maintain the OPEL plan satisfies the prescribed coverage requirements.

Ms Marino said that, at the very least, the Federal Government must increase subsidies for those who will be disadvantaged as a result of its scrapping of the OPEL agreement and they

should be provided until such a time that it delivers on its promise of delivering high speed broadband to at least 98 percent of the population.

She also wanted to know what the scrapping of the OPEL deal meant for the Federal Government's so-called

'education revolution'.

She said that without the OPEL network up and running next year, it was now likely that many students, who had just started secondary school, would have completed their schooling before the Federal Government delivered on its promises.