In reply please quote   17/02/70-4

Your Reference

Telephone Enquiries   Bob Elkington

Murrindindi
Shire Council

Andrew McGowan
Standing Committee on Infrastructure and Communications
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Andrew,

**RE: Standing Committee on Infrastructure and Communications
         New Inquiry into the National Broadband Network**

Please find attached report relating to your invitation for submissions on the new
inquiry into the National Broadband Network.

Kind regards,

Bob Elkington
Manager Economic Development

Economic Snapshot - Murrindindi

- Recent history – 10 year drought, low water levels in the Goulburn River and Lake Eildon, below average snow levels, major bushfires 2007 & 2009, floods in Alexandra in January 2010 and shire wide in September 2010
- 2009 bushfire – loss of over 100 lives, 1,397 dwellings, over 1500 accommodation beds, commercial centres in Marysville and Narbethong and parts of Kinglake, 40 percent of land area burned, 25 significant community facilities, 3,500 klms of fencing, 100's of head of stock and tonnes of farmed trout
- Estimated displacement/loss in shire population = at least 7%
- 2010 - 11 floods – up to $1 million in Council assets damaged/lost plus $1 – 2 million in other assets (private bridges, state government roads and bridges, trees down etc)

Current economic challenges:

- Restoring business confidence and attracting new investment/new businesses
- Sustaining surviving businesses – tourism/aquaculture/retail/viticulture/ agriculture
- Gunns Timber Mill – major concern re closure and flow on effect
- Assessing the long term financial impacts of gifted and newly constructed assets on Council (following the 2009 fires)
- Gearing up for the transition of Bushfire Reconstruction and Recovery from VBRRA to Council

Employment, Education and Training:
Need delivery/facility within the region – potentially at the "old" Alexandra Hospital site to provide local training in:

- Nursing/Allied Health/Aged Care
- Outdoor Education
- Hospitality
- Other local industry needs including OH & S etc

Fast, reliable and cost effective internet access across the region is vital to achieving quality outcomes in the education and training sector.

Telecommunications and community communications:
- Many black spots still exist in coverage for mobile phones, TV and broadband access
- Looking forward to National Broadband Network initiatives benefiting the region at some point…but when? This is critical to the Shire's future and waiting years for some change/improvement would be economically devastating
- Strong link to business confidence, expansion and ease of operation
- Would create world wide internet access for sales, marketing, product development and training opportunities
- Vital to enhance tourism via web based bookings and promotions
- Basic requirement for home based and remote businesses

In 2005 - 2006 Murrindindi Shire Council participated in the Central Ranges Broadband Demand Aggregation Broker project which included the Shires of Macedon Ranges, Mitchell and Murrindindi.

Despite a number of exchanges within towns being enabled since the project was concluded, many of the issues identified by the project still exist. See following an excerpt from the project report including the executive summary, background and business plan. The complete report is available by request.

Executive Summary

Central Ranges Broadband Demand Aggregation Broker project 2005 – 2006

The project has assessed demand and supply for the region and is continuing to try to address the demand and redress areas where there is no supply.

The project has found that there is strong latent demand for Broadband Services across the Victorian Central Ranges Region.

A demand register has been established and the demand has been mapped in order to get an overall perspective of both the supply and demand side. The unmet demand came heavily from the home office and small business sector and has reinforced that access to Broadband is a strong tool for local economic development in rural communities across the region.

The lack of existing infrastructure, current investment and a potential anchor tenant within the region has meant that business development will need to be self funding, or rely on funding through Broadband Connect and Clever Networks to enable the facilitation of Broadband in these areas.

To redress this lack of existing infrastructure the three shires of Macedon Ranges, Macedon, Mitchell and Murrindindi are willing to facilitate the development of new telecommunications infrastructure across the region.

Four service providers have been chosen after an expression of interest process and these providers have been asked to present proposals to number of communities across the region. They are continuing to work with the communities to deliver services and install infrastructure in consultation with the three shires where possible.

At the completion of the project it is anticipated that there will be several areas where Broadband will be available through a wireless technology where no other solution would be available. In addition to this there have been a number of exchanges enabled across the region again providing significant improvements to the availability of Broadband services in the Central Ranges of Victoria.

This project has proven to be a success however there are still areas within the Central Ranges that have the capacity to provide business cases for Broadband suppliers but due to the limited time available have been unable to be addressed. It will now be up to the local communities in partnership with Local Government to try to provide solutions for these communities. This is a less than satisfactory outcome for these communities as there is a lack of capacity and knowledge to enable a successful outcome to be achieved.

1. Background/Overview

The Central Ranges Community Broadband Demand Aggregation Broker project covers the Shires of Macedon, Mitchell and Murrindindi in Victoria, referred to as the 'Central Ranges' region. This is an area of almost 8500 square kilometers and includes more than 30 towns. The region supports a population of approximately 80,000 people and more than 3000 small to medium businesses. Much of the region is located less than 2 hours from the Melbourne metropolitan area however access to reliable communication services and broadband remain difficult and intermittent.

The 'Central Ranges' contains no regional centre or government anchor tenants. All state government telecommunications and data services can be provided through the TPAMS program which is administered by Multimedia Victoria. TPAMS is also available to Local Government entities. This reduces the possibility for any significant anchor tenants and also further fragments the potential for strategic infrastructure investment in the region.

Demand is spread across the 'Central Ranges' in pockets of existing and potential demand which are too small and isolated to be attractive to suppliers of current infrastructure.

Emerging wireless technologies, together with Telstra's announcement that it proposes to deploy 3G wireless broadband services to regional Australia, indicates that wireless will be the most practical and cost effective method of providing services to these areas.

Several wireless service providers have offered to provide this type of service and four have been selected in accordance with the defined Business Plan to provide wireless services and ADSL services, supplemented by satellite where necessary.

2. The business plan – Regional Overview – broadband demand aggregation strategy

After completing the Demand Register and calling for Expressions of interest from suitably qualified providers the Steering Committee and the Broker selected 4 providers.

The Broadband Broker consulted with the various service providers and grouped communities into areas which may be able to be serviced from the same infrastructure or telephone exchanges. This is represented in the Demand Analysis (See Appendix A)

Meetings with the Community have been held to provide the communities with options for accessing Broadband. Telstra and alternative (wireless) service providers have been invited to present proposals to the communities and the communities have been free to determine the best way forward to gain access to Broadband.

Where sufficient numbers of residents elect to select a wireless broadband service provider, the Broadband Broker and Council Officers have commenced working with those service providers to facilitate the establishment of open access/shared access infrastructure.

The Central Ranges Broadband Demand Aggregation Broker project is to be completed by June 30, 2006 and without an extension to the project it is unlikely that a significant network of open access/shared access infrastructure will be established within the timeframe of the remainder of the project.

The procedures and documentation developed within this time will be available to be used by local government under the Clever Networks of Broadband Connect programs as a model for the development of other open access/shared access infrastructure.

Where viable wireless networks cannot be established, customers who may obtain ADSL services from Telstra have been encouraged to take up those ADSL services. Those unable to obtain ADSL services from Telstra will be encouraged to take up satellite services.

In many instances small communities and residences are located much more than 4 to 5 kilometers from the nearest telephone exchange and in some areas the growth in population is away from the nearest exchange. This further exacerbates the problems faced within the community.

The difficulties in delivering a wireless solution to many of the areas in the Central Ranges is also compounded by the mountainous terrain in Murrindindi Shire and the rolling hills of both Mitchell and Macedon Ranges.

It is interesting to note that the most success to date has been had in the Shire of Murrindindi. This is because of the strong push by the local community and also the ability of Wireless Service providers to use the valleys of the area as a natural conduit for the wireless signal.