

St George State of the Region Summit - Gold Coast

Connecting Business : Broadband
– opportunities and hazards

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Caveats:

Federal Govnt's NBN context – but not the only broadband

Immense topic – can but attempt to raise a few central questions

Fast moving – what we say today may be irrelevant tomorrow



Coverage:

- 1. The business of operating in the telecommunications sector**
- 2. The business of exploiting broadband capabilities**
- 3. The business of creating new enterprises that demand broadband**
- 4. Hazards & Challenges**

Law of Unintended Consequences



NBN – a quick recap

Proposed to connect 90% of residences and businesses to a direct fibre link (FTTP) to deliver 100 Mbps in both directions, providing integrated “quad-play” services

Remaining 10% will be served by wireless broadband or satellite; to deliver 12 Mbps minimum

Cost up to \$43bn, presumably in 2009 dollars

To be operated by NBN Co, initially 100% Fed Govnt owned...to sell down to 51% and ultimately to zero

Several Directors and senior executives appointed; led by Mike Quigley, ex-senior Alcatel-Lucent exec.

Wholesale network operator; no retail function



Broadband, Business and the Telecommunications Sector

Telstra – what are its options?

Other carriers, ISPs – will the future be any more amenable than the past?

The wireless broadband industry – competitive or complementary?

Regional backhaul competition – the interim step and a major advance for regional broadband services

Equipment/technology vendors; materials & supplies

Network engineering, planning, construction, installs.



Business & enhanced broadband capabilities

The Digital Economy, e-Commerce, online transactions

- **Which sectors will benefit -**
 - **Big business (retail, transport, wagering)**
 - **Education and health**
 - **Tourism, travel, accommodation and hospitality**
 - **Financial services (banks, insurance, investment)**
 - **Media and entertainment**
 - **Certain consumer products, packaged goods**
- **Businesses located in regional markets**



Broadband and the Opportunity to Create New Businesses

- **Community level telcos**
- **New media – IPTV, VOD, interactive services**
- **Extension of distant events to local communities**
- **Software as a Service (SaaS), particularly for SMBs**
- **Health in the Home (continuing care; remote monitoring)**
- **Conservation/environmental management**
- **Community support structures—information; interaction**
- **New educational objectives – recreational, continuing**



Hazards & Challenges – Regulation

Few, if any, commercial activities in Australia confronted with more regulation than the wider communications sector – telecoms, media, broadcasting

Danger the potential and promise of broadband will be strangled by intrusive and unnecessary regulation

- suggested extension of the Do Not Call Register to cover all businesses**
- imposition of internet filtering obligations on ISPs.**
- current copyright case involving iiNet – apparent assumption of guilt until innocence is proven**
- proposed interim structural changes for Telstra.**



Hazards & Challenges – Security

Assurance as to the total security of transactions undertaken on broadband networks is an imperative.

Nothing will disrupt the development of B2B and B2C applications as will a loss of confidence in the security of those transactions.

The business and consumer community has by-and-large become comfortable with online commerce. This must be retained.

All businesses engaged in e-commerce have a responsibility to meet end-users expectations.



Hazards & Challenges – Reliability, Resilience

In an environment of common delivery of integrated services via the one broadband connection, the need for reliability of service and resilience in the operation of that broadband network is paramount.

Optic fibre broadband networks are inherently robust and have a long operational life, however as with all systems are only as reliable as their weakest link.

Calls into question the proposed dependence on overhead construction of the NBN – greater disruption through weather and man-made events; higher maintenance; doubts about quality of overhead plant.



Hazards & Challenges – Privacy

Goes hand-in-hand with Security, but is even more critical in the development and operation of certain broadband services – health, financial information.

Privacy will particularly apply to use of broadband by various levels of government. Both businesses and consumers need to be assured that use will not be made of information supplied for one purpose by inappropriate cross-reference to other data.

Important role for State and Federal privacy agencies.



Hazards & Challenges – Digital Determinism

Do not fall into the trap of “digital determinism” or the use of online and broadband technology just because it is there.

Limit use to where it is of value in achieving the desired end result.

Proven narrowband technology (the phone call, the newspaper) often is the quickest and most effective form of communication – order a pizza, call a cab, what’s on at the cinema.



The Gold Coast and Broadband Development

At this conference it would be remiss not to mention the work done to date by Gold Coast City in support and encouragement of the development of improved broadband for business and residents alike.

Initiatives such as -

- assistance to companies in seeking broadband development funding under various schemes administered by the Federal Govnt**
 - the Innovation Centre and Innovation House project**
 - broadband access and usage surveys**
 - industry conferences, missions other networking opportunities**
- deserve recognition and support.**

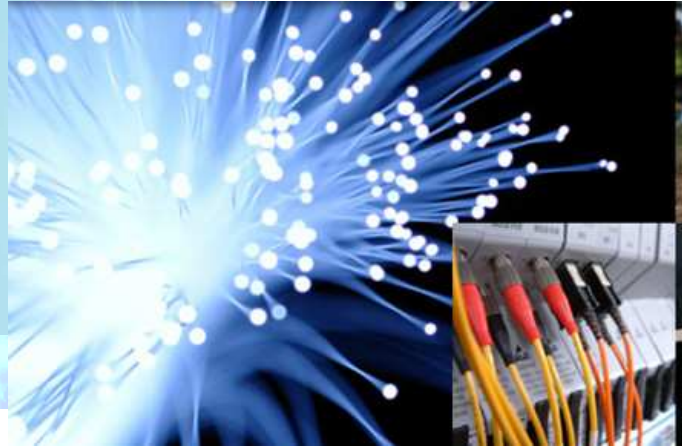


Only in America?

A doctor and social worker have set up the first centre in the US to treat people suffering from internet addiction. iTnews, August 24, 2009

“Current research suggests that anywhere from six to ten per cent of the online population is dependent on one or more aspects of cyber technology and the internet”

Both China and South Korea have designated internet addiction as their number one public health danger, and have responded by developing multiple treatment programmes.



Thank-you

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