

● February 18–24 2010

REMOTE CONNECTION



Technology marches in

The government's ambitious national broadband network is about to transform life in some of the country's most remote towns. Report: Jeanne-Vida Douglas

● If you're looking for a sleepy Australian town you couldn't do better than drive 400 kilometres north-west of Hobart to Smithton. Built on Tasmania's Duck River, the town has a population of just 3500 and consists of a clutch of streets, sporting clubs, schools and churches.

Even the locals seem somewhat bemused by the fact that, along with the Tasmanian towns of Midway Point and Scotsdale, Smithton has been selected as a test bed for the \$43 billion fibre-to-the-home national broadband network.

The north-west of Tasmania has been through trying times. The region, known for its beautiful scenery, is supported by a handful of agricultural businesses and tourist operators who capitalise on its clean, green image. Nonetheless, the unemployment rate in the area, historically among the highest in Australia, is set to climb again with the imminent closure of a McCain vegetable processing plant which employs 115 full-time staff.

It is this closure and not the imminent arrival of the NBN that most concerns real estate agent Michael Ziegler, from Roberts Real Estate Smithton.

He says businesses in the area are well covered by existing ADSL connections and are not entirely sure what they're going to do with a high-speed network that will be 100 times as fast as the one they currently use.

"It's hard to understand how it's going to affect the area," Ziegler says. "We've got an ADSL connection which works for our business, but it would be useful if the internet was quicker."

While small businesses in the area are still not entirely sure what they'll do with the end result, the construction phase is proving profitable for

local contractors such as GHD Tasmania, which began working on the first stage of the project in December last year.

Lead contractor John Holland won the right to manage the initial rollout of fibre. The project will be undertaken in conjunction with a clutch of Tasmanian contractors including Hazell Bros, Nu Energy, Scott Devereaux Excavations and Comstar Systems.

Set for completion next month, this "backhaul phase" of the project will lead into the "distribution phase", which will entail optical fibre being laid along the streets and into the houses and businesses in the selected towns.

The project's progression is doing little to close the divide between those with a clear understanding of what the NBN will mean and how it will affect their business, and those who see it as little more than an extra-fast internet connection.

The reality is that eventually it will give small companies more processing power and sophisticated applications than ever before.

Addressing the NBN Conference in Sydney in December, Prime Minister Kevin Rudd was at pains to connect what is still an intangible product for many Australians with more concrete benefits.

"This has the potential to transform our economy and many aspects of our lives," he said. "If you are running a business in Broome that needs to operate 24 hours, seven days a week, fast broadband is the answer."

It is also the answer to the rural health-care shortage, the lack of resources in remote schools and long-distance relationships, according to the Prime Minister.

Communicating the business benefits is a challenge familiar to Conrad Hilder, director of business development for telecommunication service company Anittel. Hilder spends much of his time working to help mid-tier companies cut costs by using web-based services.

"Fast broadband is going to be a huge benefit to Australian business because it will give businesses access to the sorts of technology services that are only really available to high-end businesses in city centres," Hilder says.

"Something as simple as video-conferencing creates a massive reduction in the cost of travel and the time people spend in cars, especially for businesses that have offices in different cities."

Hilder points out that although broadband is already available across much of the country, the cost and reliability of the service prevents many businesses from making the web more central to their business processes, although he believes this will change quickly as fast broadband becomes more readily available.

"Once you introduce businesses to the concept of software-as-a-service and they begin to

appreciate the cost reductions it provides, it becomes a kind of slippery slope where they rapidly begin to embrace other web-based technologies," Hilder says. "Mostly because it lets them save money."

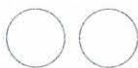
Others, such as Ruslan Kogan, who has built a successful online electronic goods retail business, Kogan Technologies, are enthusiastic supporters of the NBN because of the opportunities fast, cheap, ubiquitous bandwidth will create for all aspects of business, from marketing to administration.

"We're going to see a rapid uptake of video streaming as people begin to watch more programs online. Because of this we'll be able to target advertising to specific locations and demographics the same way Google Adwords now targets specific demographics and search terms," Kogan says.

"It will also make it much easier to find staff and for people to make money where they live, rather than having to move to a city to find work."

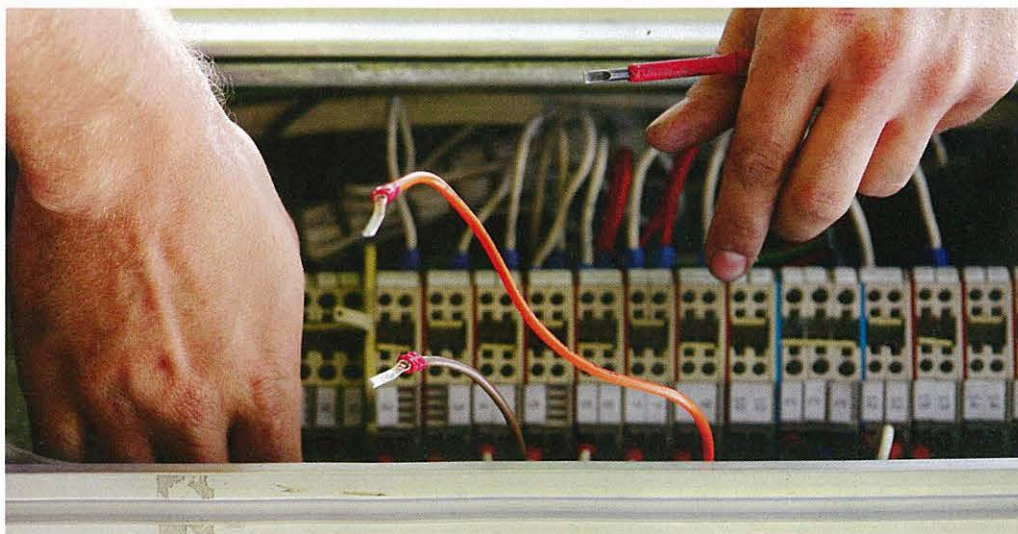
Based in Melbourne, Kogan Technologies has already cut back on administrative costs by enabling a number of staff to work from home, using the internet to take calls and process orders online, rather than commute to the office each day.

"Think about all the time you spend waiting for things to load up or load down online, and



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Conrad Hilder, Anittel



then imagine never having to wait any more – the productivity alone from faster download speeds will be dramatic," Kogan says. "We've already got a fully functional call centre based in the cloud. It doesn't matter where the call-centre staff are based – they simply log in, receive calls and process data as though they were in a central office."

But Kogan's attitude is unusual among small businesses in Australia. The last technology usage survey taken by the Australian Bureau of Statistics shows that most small businesses use the internet to place orders but fewer than 30 per cent offer e-commerce facilities on their own websites.

There are 1.2 million websites using the .com.au domain, which confirms their commercial status in Australia.

This suggests that as many as half of the 2 million small businesses in Australia have no online presence at all.

The chief executive of the Australian Businesswomen's Network, Suzi Dafnis, runs business support and mentoring programs largely over the internet and agrees that many businesses she works with simply don't have access to high-quality broadband services and are losing opportunities as a result.

She believes businesses need to make a concerted effort to better use existing internet technologies to understand the opportunities the NBN will create.

"We cater to an industry that is dispersed across the country and use the internet to ensure that our programs and podcasts reach as many people as possible at the lowest possible cost," Dafnis says.

"This lets us provide business resources for people on their own terms. They can log in or listen when it suits them, and by using our service our customers begin to think more about what they can also achieve." **BRW**