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Mr Andrew Board
Federal Member for Mallee



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Impacts of Coalition broadband policy on regionally based business in the information-economy.

Dear Mr Broad,

I write to express my deep concern regarding the latest developments and political positioning by the Abbott Coalition Government regarding the National Broadband Network. The announcements by Minister for Communications Malcom Turnbull on the 12th December 2013 are of grave concern for me, my business and my vision for a broadband enabled regional Australia.

The current approach and rhetoric by Mr Turnbull is alarming for those of us who are actively building regional businesses for the information economy of 2020 and beyond. The current Coalition approach appears to consider that high speed Internet is only for the consumer and high-technology niche enthusiasts. This could not be further from the reality. Furthermore, Mr Turnbull is now saying that 7 out of 10 people will receive high speed Internet. Under the Coalition plan, it is regional Australia who will lose out.

For me and my business, these new developments have severe consequences which I wish to share.

No Government can stop the global mega-trends of information-economics such as collection and sharing of massive volumes of data; remote management; video conferencing; flexible working hours; employment of talent unrestricted by geographic location; distributed workplaces; proliferation of decisional outcomes (often unseen, both good and bad); enforced decisional transparency (you cannot keep secrets); new online marketplaces, and closer producer-consumer relationships.

However, a Government can through their infrastructure policy platform, determine exactly where the benefits of this new economy will occur. Under the current Coalition direction, this will not be in regional Australia and for my business, not in your electorate. It need not be this way.

The information-economy is already replacing the jobs of mining and manufacturing. This is occurring through business like mine, that are creating and implementing new business models that suit a highly-networked, data-driven economic environment. For many reasons, all of which pertain to business in the information-economy, only a universal fibre-to-the-premises (FTTP) Internet network presents an unparalleled opportunity to bring new prosperity to regional Australia.

I offer myself as your case study. I have been using information technology for my entire life. For the last 10 years I have been creating and studying information technology and continue to do so. I have studied the subject through a Bachelor of Science, a Masters of Sustainable Practice and now a PhD of Science. In 2012, I left my former employer the Victorian Department of Primary Industries to start my own business, Fast

Task Tools. In my business I provide a range of software-services pertaining to digital information-management. I work with organisations large and small, throughout Victoria and mostly from Horsham. So far, my clients include Government (e.g. Department of Primary Industries, GWM Water, and Victorian State Emergency Service), Research (e.g. National Variety Trials) and private business (i.e. Observant).

The point I wish to raise does not pertain to who my clients are or how I help them but rather, how I do it. I use broadband technologies enabled by the Internet to access, coordinate and manage talent from across Australia and the world to deliver locally and competitive information- management and knowledge-transfer products and services. This includes a wide variety of work but in its simplest form, I custom-develop Microsoft Excel workbooks and Microsoft Access databases. In its most complex form (being my PhD research), my work is on the leading edge of agricultural decision support systems evaluation. Only broadband Internet enables me to do this from Horsham, in your electorate of Mallee.

Already, as a one-person, software-services company I am experiencing limitations in my current broadband service in particular, when using video conferencing. Today, I, like many of my clients, would immediately benefit from existing technologies enabled by a universal high-speed FTTP network. Impacts would be substantial in terms of knowledge creation, business-efficiency, risk-management and information productivity. With a universal FTTP network in place, the primary limitation becomes capability to implement. This in turn becomes a key source for new activity in the local information-economy.

I understand the information economy, and how to gain from it. Today, I am using a wide variety of broadband enabled information management technologies and methods to run a thus-far successful small-business. Mine is an information-economy business and my opportunities for growth are profound. After some eighteen months in business, the continuing advancement of my operational model and services, I am now in a position to take advantage of the opportunities before me. However, my ability to do so entirely depends on having access to a fibre broadband network within the expansion timeframe of my current business plan. That is, sometime between 2014 and 2018. Under the Gillard Governments plan, Horsham was to receive the NBN roll-out by 2016. This was an ideal situation for my business plans. With the new Abbott Government, what was confidence is now uncertainty.

Regardless of Government policy, my opportunities for business growth will remain. I have no doubt that I will raise the venture capital I seek. But the impact of Mr Turnbull's latest announcements is that I can no longer have confidence that that capital I raise, the jobs I create and the economic benefit I hope to bring, will remain in Horsham. Under the Labour plan, my business would almost certainly remain here, as a FTTP NBN will enable me to provide software-services throughout Western Victoria, across Australia and beyond. Under the Coalition policy, I will still raise the capital, create the jobs and service the nation, but operations will have to be moved to another place where I can access the high-speed, high-capacity fibre-network all information-economy based business like mine require. Ultimately this will mean moving to the city.

I, like you, am a proud regional Australian and wish not for this to occur. But this is exactly what your Governments current approach to broadband infrastructure policy is going to mean for me. To think that regional areas can be effectively serviced using mobile and hybrid technologies simply demonstrates the deep misunderstanding of information-economics that pervades Mr Turnbull and current Government policy. What the Government does today regarding broadband policy, will determine how the information-economy proliferates in regional Australia during this century. There will be no second opportunity.

In my view, the current Government direction will determine that regional Australia will only ever be a consumer of information-economy products and never a net producer. It means that regional Australia will never be able to tip the terms-of-trade of information-economics in its favour. Is the Abbott Government truly willing to forgo the untold billions of dollars in increased economic activity throughout regional Australia during this 21st century, simply to save a few billion today? In many ways, it would be better to build nothing at all, than to build Mr Turnbull's version of the NBN. It is inevitable that the current Coalition policy as indicated by Mr Turnbull, will become regional Australia's greatest missed economic opportunity.

I do not deny that Labour's administration of NBN Co could not be improved. But their core policy of a universal fibre-to-the-premises network is the only way to maximise and spread the benefits on offer from the emerging information-economy. Yes, a FTTP national broadband network is more expensive upfront, but the benefits over the fifty plus years, post construction (2025-2075) are massively in its favour, especially for regional Australia. Although small, my business is a true and current example.

In terms of agricultural productivity (an industry I am also very familiar) the Coalition broadband policy is akin to harvesting a 1000ha grain farm with a Clydesdale horse. The universal FTTP approach is like a modern day John Deere combine-harvester. In the end, both will get the grain into the silo and the latter much more expensive. Yet, the difference in how much grain, how efficiently and profitably the job is done is momentous. We do not see any Clydesdale operations active in modern day Australian agriculture.

The now retired, Member for New England, Tony Windsor was absolutely correct when in 2010 he said: 'Do it once, do it right'.

In closing Mr Broad, I implore you to consider the severe impacts that the current Coalition broadband policy will have on your electorate and more broadly regional Australia. I ask that as Member for Mallee, you unite your fellow National Party parliamentarians and put pressure on Mr Turnbull to reverse his current strategy regarding the National Broadband Network in regional Australia.

I also invite you, when next in Horsham to meet with me. Let me show you exactly what a regional business benefiting from information-economy actually looks like. Let me explain how I am creating new economic opportunity and benefit in our region.

Businesses like mine can change the economic face of regional Australia, so long as the Government provides us with the universal, high-speed, high-capacity, optical-fibre communications network we need.

I offer myself for your service, if in any way I may further assist you regarding these matters.

Yours faithfully,

Carl Sudholz

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