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Tasmanian Electronic Commerce Centre Pty Ltd

18 April 2011

The Secretary of the Committee
House of Representatives
Standing Committee on Infrastructure and Communication
PO Box 6021, Parliament House
CANBERRA ACT 2600

Dear Sir,

Re: Request for Supplementary Information to Standing Committee Members

During the presentation to the House of Representatives Standing Committee on Infrastructure and Communication, Friday 11 March 2011 in Hobart, the CEO of the Tasmanian Electronic Commerce Centre (TECC) John McCann was asked to provide some supplementary information by the Chair in the area of how to assist communities gain a better understanding of the uptake path for utilisation of the NBN infrastructure.

The TECC is a not for profit organisation based in regional Australia that has been charged with the function of overcoming the disadvantage of Regional Australia (Tasmania) compared to metropolitan Australia in the uptake and utilisation of advanced telecommunications infrastructure applications, devices and business practices. The TECC has had over 12 years experience working at region, sector, enterprise, community and household levels. The TECC has also developed strong networks across all levels of Government, the ICT industry and traditional businesses.

The information that we are providing in overview format in this document, is a range of proven concepts drawn from the TECC and Regional Broadband Forum experience of the Australian Electronic Commerce Centre (AECC). In this paper we are identifying elements that our practical experience lead us to believe would be a useful reference for those now tasked to design an awareness and demonstration programme to be delivered in parallel to the NBN construction and roll out over the next ten years.

The TECC developed a suite of products to take primarily regional based SME's through the uptake path of smart ICT practices. The staged programme included awareness raising, demonstration projects, uptake planning, capability building and supported implementation. At the end of this period, Tasmania went from a smart businesses laggard to having the highest percentage of businesses in the Commonwealth that could both place and receive an order online. I believe a reference to this process will bring a clear focus to any potential "uptake support programmes" for the NBN and provide a cost effective model to support greater uptake.

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Role of Awareness Raising;

A general awareness or advertising (stand alone advertising rarely has strong uptake results) programme run initially to explain what the NBN construction is and where it is taking place would help demystify and minimise the opportunity for misinformation and confusion about what the construction is aiming to achieve. It would also be a basis for timing other market place support and demonstration, as it should be linked to the locations where construction is pending. The key message being the NBN network is the delivery mechanism for future applications and services that will provide the benefit and value.

Demonstration Projects;

Perhaps the single most important stage is being able to show households potential services and businesses ways of enhancing business opportunities through utilisation of the NBN network. **There is not** a requirement for a multitude of demonstration projects but a few outcomes focused projects that are particularly strong in benefits, run professionally thus protecting the NBN brand with easily communicated outcomes that encourage further participation and investment. Initially public interest and the perceived value of advanced ICT practices via the NBN will most likely be derived by strong demonstration projects in health, education and regionally delivered government services to households and businesses.

Uptake Planning;

Structured planning relates to the realisation from many years of Electronic Commerce development amongst businesses. In particular, it was recognised that changed practices were rarely a short term decision and that it was most likely a result of some form of business process re-engineering (BPR) migrated over a 12-24 month period. Influences may be supplier demands, customer behaviour or compliance requirements by regulators. Previously, this path to change had been driven with some success by business advisers such as accountants, who are trusted to advise on business investment. Rarely, unless the technology is mainstream are the decisions to participate made following representations of a 'sales' nature. With this in mind, TECC developed basic guides for businesses on the cost effective migration to new business technology. This resource also reassured the trusted business advisers. It is probable a similar evaluation process will be required by businesses being exposed to the NBN and its service providers.

Capability Building;

Very closely linked to Uptake Planning, capability building refers to the need for training and up-skilling of staff and modification related business practices and interfaces to firstly make the transition and secondly achieve the productivity benefits to be derived from such an investment. This period also normally formalises the process from paper based to digital and preparing related business practices, such as marketing, business research and compliance to the new paradigm.

A service provided by TECC to assist with capturing all the information required for the successful completion of these two stages was *EC Ready*, a self help kit for businesses that could be evaluated by independent business advisers.

No doubt similar capability building amongst businesses and ICT support service sector will assist businesses and households utilise and enjoy the benefits of NBN based services.

Supported Implementation:

This stage covers the actual implementation or the action stage at the end of the planning and evaluation process. This part of the process assists business to undertake project management of an implementation. Without a focus on this stage, the figures for uptake and utilisation tend to move very slowly. The key resource is the shared knowledge of previous business implementations and the resource of a project management template. Incentives at this stage can include a subsidy towards the implementation (from Government or vendors). This action subsidy promotes activity, which in the early stages is very important for seeing uptake rates climb. The TECC has been involved at a practical level through hosting and running the Australian Regional Broadband Forums; the development of the Demand Aggregation Manual (in association with the then Department of Communications, Information Technology and the Arts) as well as Commonwealth programmes like *Networking the Nation* and *Clever Networks*.

Conclusion;

Hopefully an outline of this proven process is a helpful insight for the discussion of how to migrate users to the NBN network from the government's position. NBN Retail Service Providers (RSP) will become more active with promotion once a critical mass of households and business enterprises have been passed by the network footprint. Until this occurs, we are urging the adoption of a structured and targeted approach to foster uptake as opposed to a broad based, high spending "awareness" campaign that is unlikely to lead to a significant increased demand.

On behalf of the TECC, I would like to thank the Committee for the opportunity to firstly present and secondly, provide a supplementary overview on the very current topic of demand generation, uptake of advanced ICT services and the NBN network. The TECC is pleased in continuing to be a resource to provide information to assist the development of a practical and robust system to accompany the rollout of the NBN .

Sincerely,

John McCann
CEO