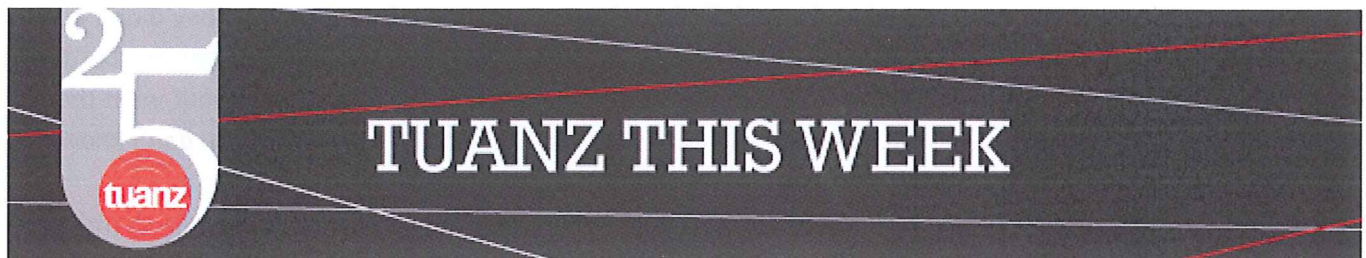


From: TUANZ [<mailto:tuanz@tuanz.org.nz>]

Sent: Friday, 10 February 2012 12:10 p.m.

To: John Gandy

Subject: TUANZ This Week >>Stimulus material... TUANZ:0004568



Friday 10 February 2012

Dear John

The Commerce Commission's demand side conference is looming and we've had several reports released that look at some of the issues we'll be discussing.

The conference is to help the ComCom determine if there are any barriers to uptake of the Ultra Fast Broadband network and if so, what to do about it.

The reports are discussion starters - stimulus material, just like they used to include in School Certificate exams back in another life - and they're certainly stirring things up, which is great because that's what they're for.

The latest report includes research into levels of interest in the UFB among individuals and small business owners.

The results are not too surprising to anyone who's followed this debate over the last decade. People are vaguely interested but won't pay more than \$10/month more than they already do.

This has been seized on by some as "proof" that the whole thing is a white elephant and the government is wrong to spend our money on it.

Two points there - firstly, the new entry-level plans should be on par with our existing price points, so that's not a problem. Secondly, it goes to prove what we've said all along - the internet isn't the selling point here, it's the medium that will allow us to do other things and THOSE things are where the fun lies.

For too long we've talked about broadband as if it were a thing. It's not - it's a way of delivering things. If you're reading this you're probably as much of a geek as I am so you'll be signing up for UFB as soon as it's available. But we're in the minority - if we want the large bulk of the population to sign up you have to give them a reason.

Most folk are reasonably OK with their internet access. The kids can do their homework, they can watch the odd YouTube clip and get their email. It's OK but that's as far as they take it. You won't be able to sell them ultra-fast broadband because the speed won't make enough of a difference to their browsing and emailing to warrant an increased spend.

But once you've got broadband you can do other things, new things that will attract customers. Video is the obvious example, and I'm pleased to see the ComCom will be looking at the issues around that in particular, but there are plenty of others. The exciting thing for me is that a lot of those other drivers haven't yet been invented. Five years ago nobody would have signed up for a cloud-based social media platform because they didn't know they wanted it. Today Facebook has 850 million users and it seems obvious that it would be a success but that wasn't always the case. Asking customers who don't have access to the underlying capability about what they'd do with that capability doesn't make much sense if you think about it. How do you know what you don't know?

The good news is that we've got time before the network deployment reaches the bulk of customers in which to answer some of these questions, and pose a whole bunch more, and hopefully engage with potential customers to encourage them to get fibred up. Because once we hit that kind of critical mass, that's when the cool stuff really begins.

TUANZ Telco Technology Basics: For now and into the future

Need some clarity on current telecommunications systems and what the future might look like? Lately we've been asked questions like the one above plus: What's UFB and the RBI? What will UFB and RBI do for our business? And if our business should connect to it then how do we do so? Where does wireless fit in current and future technologies? What's Ethernet? What's WiMax and how does it work?

If you're uncertain about any of the above or simply confused by the industry acronyms being tossed around in conversation at work then you need this Management level day-long programme. It's a non-technical approach to current telecommunications systems like fibre, wireless, 4G/LTE, Ethernet, and will provide you with a greater understanding of the language and acronyms around the UFB and RBI and other methods of information delivery plus what it means for you and your business. Delivered in a fun, interactive way with hands-on exercises and a quiz or two! For more information, dates, and pricing follow the link below.

Paul and the TUANZ team.