TELEVISION bombards us with videoconferencing. News anchors effortlessly cross to a reporter in Melbourne, to a correspondent in Baghdad, or to a panel of experts in separate corners of the globe, and give or take a few delays in interaction, the sense these people have — and the viewer shares — of being brought together is quite real and convincing.

And now the business world is catching on. According to figures compiled by Audrey Williams, industry manager at market research company Frost and Sullivan and author of a videoconferencing study in the Asia-Pacific region, the Australian group and desktop videoconferencing market in 2003 was worth $17.3 million.

The market is expected to grow at a compound annual growth rate of 22.4 per cent over the forecast period 2003-10.

And due to readily available IP bandwidth, advances in videoconferencing technology and plummeting hardware costs, both public and private sectors are using the technology as never before.

James Anderson, Australia and New Zealand country manager at videoconferencing giant Polycom, says the biggest customers in Australia remain government, health and education.

"They are used to the likes of distance education and medical services here to deliver services remotely — just by wireless, initially," Anderson says.

"These services have always looked to new technologies to solve their problems, because they have a real need to deliver remote services cost effectively."

In fact, Australia's adoption of videoconferencing technology turns the usual model on its head.

"Around the world, 60 per cent of the business goes to corporates," Anderson says. "Here it's the opposite: 60 per cent or higher goes to the government, health and education sectors."

Audrey Williams agrees, saying Australia has largely been a market in which education, government and health care are the top three users.

"But now we are seeing interest from the larger corporates" Williams says.

"They are beginning to embrace videoconferencing technology."

So, if doctors use videoconferencing to assist in operations performed thousands of kilometres away; lecturers can appear in interactive tutorials in different cities at the same time; and children can be spared the horror of appearing with their abusers in court proceedings; what does business do with videoconferencing?

"For business, videoconferencing is primarily a strong meeting tool," she says.
"In a country like Australia, with vast distances between capital cities, videoconferencing makes good business sense, in many ways."

Nick Drazic, group general manager of leading fresh produce company Moraitis, is a convert, saying time is one of the biggest savings of videoconferencing.

Moraitis has growers all over eastern and central Australia, from the Atherton Tablelands in northern Queensland to the Riverina in NSW and across to Nildottie in the Adelaide hills.

"With grower's meetings in the past, everyone would lose a day travelling, every time," Drazic says. "In terms of my travel time and the fatigue factor, videoconferencing is the way to go."

But meetings with zero travel time are not the only advantage for Moraitis.

"We have found response times to issues, and the speed of resolution to be vastly improved," he says.

As for the technology, Williams says there is a very clear transition towards videoconferencing over IP networks.

"But if you look at Australia, because of extensive investments in the past on ISDN networks, most of the deployments are still ISDN based," she says.

"You are definitely going to see the market move towards IP, but the transition will be slow."

This is the approach Drazic has overseen at Moraitis.

"Using ISDN, we were paying Telstra $9.22 per minute," he says.

"Now, with 1200 growers as well as customers, you can see how quickly that would add up. We've now got 2MB bandwidth. That enables us to use multi-sites, and have the speed to do it. In fact, we can have four sites at one time, and it's all in real time."

"We met a one-off cost of $70,000, for the hardware and the bandwidth, and the service is virtually free thereafter," he says.

Anderson puts it this way: "The real cost of owning this technology is the network, so over three years or so, the network costs would be higher than the cost of the hardware."

"If you can eliminate that cost, you have the network at your disposal."

Bandwidth like the 2MB quoted by Moraitis is unusual.

"The more bandwidth you have, the higher quality the video, with 384KB is the most common for videoconferencing. We need it to be lip-synched so it doesn't look like a badly dubbed Chinese movie," Anderson says.

He says the technology has come a long way, and has made the most of available bandwidth.

"When we sit in a room for video conferencing, our system will recognise the table, the wall, the chairs — they don't keep moving, so it sends those images just once, then it looks for motion, and sends that. Normally, in a meeting, it'll just be the hands, the lips, the face or the eyes that move."
But not all corporate videoconferencing takes place in board rooms. Duncan Nimmo, former IT manager of 3footsix, the production company created to make the Lord of the Rings trilogy, says videoconferencing was used extensively in making the films.

"We used videoconferencing to connect up the different shooting crews from all around the country, so that Peter Jackson could direct more than one unit at a time," he says.

The company used a physical LAN and two remote satellite units. The satellite system was Optus geo-stationary, and then the company bought a month's worth of bandwidth at a time, useful when the links were being used at up to 11 hours a day.

"It was pretty much an all-you-can-eat deal," Nimmo says. During the extended shoot, the company used Polycom units, and often had five going at once.

"It's not broadcast quality," he says. "But it was good enough to check framing, and camera movement, and that the blocking was right, that the performance of the actors was right.

"To set up the way a television crew might — with a video uplink on a per minute basis — is very expensive, let alone doing it six days a week."

Nimmo says because film is such a visual medium, videoconferencing has been a good addition to the company toolbox.

He says gains include financial, artistic and organisational.

"When you watch the whole trilogy, it comes across as really the product of one imagination," he says.

And, as in the corporate environment, videoconferencing meant everything went much faster for 3footsix because Jackson could give instant approval and decisions.

Back in Australia, Williams says the main game competition is between Polycom, Tanberg, Sony, VTel and VCON.

"If you look at the high-end video-conferencing market, the group systems market, these five players dominate — it's very hard for other players to come in," he says.

Still, she acknowledges the growth in IP telephony, by companies such as Cisco and Orion.

"These people are coming very strongly into the videoconferencing market and that's going to be the new spectrum in terms of competition," Williams says.

"It doesn't yet mean that everyone who buys a Cisco IP phone will eventually have a video-phone on the desktop, but that's definitely where the market is heading."

She says videoconferencing generally requires a total mind shift.

"People have to get used to seeing each others' faces," she says.

"Some people may not find that compelling. So, it's a lot to do with the mindset. I think that's going to effect adoption, as well."
So, are we going to see the video phone, with voice and images over IP used as mundanely as the telephone?

"Definitely," she says.

"But it's going to take a good two or three years before the video-over-IP market gains sufficient momentum."

This report appears on australianIT.com.au.