

INTERNODE: Massive streamlining of pricing plans

NBN CO: How it wants satellite to replicate fibre offer

VODAFONE NZ: Pitches last minute change to MTR

TV BUNDLE

Telstra, Foxtel strike deal to provide unmetered IPTV via T-Box

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ISSUE 3921

Greens dig in on “quick and dirty” NBN Co privatisation provisions

The Australian Greens look set to reject opposition amendments to NBN legislation that would relax pre-conditions for a future privatisation of the NBN Company.

Greens communications spokesman Scott Ludlam said the opposition's proposed amendments would create an environment that allowed for a “quick and dirty” sale of a half-finished network should the Coalition win government at the next election.

Among a raft of proposed amendments, shadow communications spokesman Malcolm Turnbull will seek this week to strike from the ‘National Broadband Network Companies Bill 2010’ requirements that the NBN Co could only be sold after the communications minister had officially declared the construction of the network complete, and the finance minister had declared that market conditions favourable for a sale.

Turnbull wants the pre-conditions struck from the bill because it is not coalition policy to complete the construction of the NBN as defined by the current government, and therefore would be impossible for a future coalition communications minister to make a declaration that its build phase was complete.

The opposition would retain the requirements that any future privatisation be scrutinised first by the Productivity Commission and then by a parliamentary committee.

But Ludlam said the Greens were wary about the coalition agenda on any issue related to privatisation.

“Given the disaster that was the Telstra privatisation, we would take an extremely critical view to any coalition amendment regarding the sale of the NBN Company,” Ludlam said.

“To me, that (the Turnbull proposal) opens the gate to a quick and dirty privatisation without any assessment of the public benefits or otherwise.”

Removing those two privatisation provisions, which the Greens had inserted into the bill after months of lobbying communications minister Stephen Conroy's office, would create a situation where a future coalition government “can sell a half-built network to whoever will buy it, regardless of anything.”

Ludlam said if amendments were proposed this week he would need to formalise a position in the Greens party room, “but my initial reaction is that this is just not a good idea.”

Elsewhere, the Greens are more sympathetic to coalition concerns about the two NBN bills to be introduced to the House today (the other bill is the ‘Telecommunications Legislation Amendment (National Broadband Network Measures - Access Arrangements) Bill 2010’).

Ludlam said the Greens were conscious of Turnbull's ‘cherry picker’ concerns about the bill, but had been satisfied that the government's intention was not to apply strict network specification requirements on existing networks. However, he added that he would keep an open mind to Coalition proposals on the issue.

Similarly, the Greens are watching closely the issue of NBN Co ‘mission creep’ and are sympathetic to coalition concern that the bills allow too much ministerial discretion in allowing exemptions for the NBN Company to sell services direct to government customers like utilities, universities or government departments.



Ludlam said the Greens would wait until the Senate committee process had run its course before making a decision about how to deal with possible mission creep issues. "I'm agnostic on that at this stage ... but I would think that will be quite an important part of committee work."

FREEDOM OF INFORMATION: On transparency issues, the Greens and Turnbull appear to be in lock-step. Both will seek to have the NBN Company legally defined as a public authority, making it subject to Freedom of Information laws.

"I don't think there is any doubt that FoI laws should apply (to the NBN Company). They applied to Telstra all the way through to the T3 sale," Ludlam said.

"We'll take a good look to make sure the appropriate protections (around commercial in confidence issues) are in place for NBN Co, but I really don't see it as being any different from the other government businesses to which FoI is applied," he said.

The Freedom of Information laws apply to all departments and agencies, but also to government business entities like Australia Post. Ludlam acknowledges the Parliament has in the past made exceptions – for example, the FoI laws do not apply to Medibank Private – but says "no justification has been given to us for why it's appropriate for NBN Co to be outside" of the FoI regime.

The two NBN bills will be the first to be presented to the House for the 2011 sitting year.

Ludlam said the Greens will support their passage through their sole lower house representative Adam Bandt on the understanding they will be referred directly to committee in the Senate.

Having been through a lengthy draft exposure process last year that lasted some eight months, Ludlam expects the committee process for the two bills is likely to be quicker than usual.

James Riley

Telstra readies for bundling battle with Foxtel streaming deal

Telstra has bolstered its bundling arsenal via a deal with Foxtel that will see the telco offering existing customers the option to stream selected Foxtel channels unmetered through a Telstra T-Box connection.

Under the agreement, 30 channels– including FOX8, Discovery, FOX Sports Play, Movie One and Showtime Premiere – will be streamed directly to the T-Box via either a BigPond ADSL or cable broadband service and will remain unmetered.

The subscription service over the T-Box will be available in metropolitan areas where Foxtel subscription services are already available and will include on-demand television from Foxtel as well a range of catch-up movies and TV programs.



"With T-Boxes in close to 120,000 Australian homes, Telstra is helping to usher in a new era of internet-delivered home entertainment across Australia," said Telstra CEO David Thodey. "Our customers are telling us they love the existing seven BigPond TV channels and more than 2000 on-demand BigPond Movies, and with the new unmetered FOXTEL on T-Box service for BigPond ADSL and cable customers they will be spoilt for choice."

Foxtel, of which Telstra owns 50%, launched its on-demand service delivering TV and movies to customers' iQ2 set-top box in October of last year, following iiNet's earlier IPTV gambit called FetchTV. Both Foxtel and Telstra have said they hoped the deal would offer a cheaper service and add to Foxtel's subscriber base, rather than cannibalising it.

"With this new offer we are able – through Telstra – to reach new customer segments," said Foxtel CEO and MD Kim Williams. "For those Australians who may not yet be ready to take the full Foxtel service – with its choice of over 200 channels, 20 HD channels and full digital recorder functionality – or those who may want to focus on a condensed service and internet delivery, then Foxtel on T-Box offers a superb alternative that will connect strongly with their wants and needs."

Telstra BigPond will also become Foxtel's preferred internet service provider and extend unmetered

Foxtel via BigPond ADSL and cable customers and other Telstra supported devices, of which new ones will be announced in the months ahead.

According to analyst firm Ovum, the take-up of T-box and T-hub is “fairly encouraging” to date but this trend needs to continue if Telstra’s three-pronged consumer growth push announced at its yearly results is to succeed. . The telco’s recently appointed consumer and countrywide GMD Gordon Ballantyne is determined to drive bundles offering both devices in a bid to turn around the consumer business’ 7.4% revenue slump in the previous financial year.

However, the bundling arena is heating up as service providers start combining broadband, telephony and IPTV ahead of the looming bundling skirmish many analysts forecast once the NBN is fully operational.

Miro Sandev

Internode slashes number of broadband plans

A major overhaul of Internode's broadband offerings has seen the company cut the number of available plans from 78 down to just 18.

The company standardised around four of its “Easy” broadband plans, which were introduced 18 months ago, with users given further options through added Power or Business packs for extra features.

Internode product manager Jim Kellett said that the Easy broadband plans had become the company's most popular packages and would supersede all previous Home, SOHO and Business broadband plans. Existing customers can remain on their original plan but they will not be available for new customers.

“This overhaul makes selecting a broadband plan really simple by eliminating the bewildering array of plans that customers had to navigate previously,” Kellett said. “You choose your price, your data quota and your options and then Internode provides the fastest possible broadband service.”

For an extra \$10 a month, users can get a Power pack that includes a static IP address, free data uploads and faster shaping if the monthly data quota is exceeded. The Business pack costs an extra \$30 a month and features usage-based charging with no speed shaping if the monthly data quota is exceeded, access to a free “.on.net” subdomain, priority technical support and a business-grade service level agreement.

Geoff Long

NBN Co’s satellite challenge: taking enduser experience to the next level

NBN Co has ambitious plans to set new benchmarks for end-user experience in both its interim and long-term satellite offerings – providing a construct “more akin to the fibre network than the current ABG provision.”

Several of the firm’s satellite specialists outlined the challenges ahead at a breakout session in a customer collaboration forum in Sydney, while also divulging some details about the product set differences between the interim solution (set to go live from June this year) and its long-term offering.

NBN Co’s long-term plan for covering users outside its planned fibre and wireless footprint is to launch two of its own Ka-band satellites, expected to go up in 2014-15. In the interim, however, it intends to use capacity on existing spacecraft to deliver services; contract announcements are expected in the coming weeks, with this “satellite first release” service slated to replace the ABG satellite service from June this year.

“One of the principles that we’re approaching with the interim satellite service is based on the fact that we’re trying to provide a benchmark for performance in end-user experience... that will cement satellite access technologies as a capable broadband access technology. So we’re very mindful of enduser experience and performance,” said NBN Co product manager Oliver Stacey.

“One of the objectives... is principally to set that benchmark performance such that it will enable the market to transition smoothly from the existing ABG arrangements to the long-term solution. So there probably will be some performance guidelines and boundaries on download capacities established for the interim services, and our intention [is] to trial those and set those in conjunction with the marketplace

and the access seekers... given the expenditure that's involved here, I think it's in everyone's interests to set that performance benchmark so that satellite is considered to be an equivalent access technology."

NBN Co is confident that the long-term satellite offering will drive down cost of bandwidth and ease existing oversubscription issues. "The cost of capacity here... is going to be significantly lower in terms of cost per bit, in terms of order of magnitude, than what's available in the marketplace today," said Stacey. "A large component of contention is driven by the price pressures... if we construct this product correctly, then those price pressures will be significantly eliminated."

Meanwhile, product manager Rocco Nuzzo filled out some specific detail about services intended for the satellite platforms. "Our plan is to support telephony... both in the first release and in the long term, though the amount of bandwidth we're going to allocate in the first release has yet to be determined," he said. "The other critical point is that because we're relying on the technology today for the first release, it's all Layer 3... the long-term plan is to have a Layer 2 architecture."

"We're not intending to support multicast in the first release," he added. "Even in the long term, we intend to support multicast... but it won't be at a consumer price point, it will be more focused towards business services like telepresence." Nuzzo also said that both solutions would use 'tricks of the trade' like TCP spoofing to boost performance and reduce the user-experience impact of latency.

Petroc Wilton

Inmobi flags world-leading ops in Australian mobile advertising

Mobile advertising network Inmobi has released new research suggesting Australians are more open to mobile advertising than anyone else in the world. And the firm has made a batch of recommendations as to how advertisers and carriers might help to tap that opportunity – capitalising on one of the most mature smartphone markets on the planet.

Inmobi's findings were based in the main on two separate research projects; a compilation of its own network data across six continents and 26.5 billion monthly impressions, and a survey covering 20,000 customers in 14 countries (including over 600 in Australia, polled in the second week of last September). For this reason, they only covered the consumer base actively touched by Inmobi within the region – though as director of global research Surag Patel noted, there is currently no overarching repository of mobile ad data available to give a more complete picture.



Nevertheless, the results suggest great potential for mobile advertising in the Australian market. Network data showed total impressions up 33% from July 2010 to 311 million in December, with smartphones driving the surge; smartphone impressions alone increased 72% to 193 million. From the survey, 75% of mobile internet users polled said they were somewhat or very comfortable with mobile advertising, which according to Inmobi means that Australian consumers have the highest level of comfort in the world.

Drilling into perceived consumer benefits from mobile advertising, Inmobi found a majority of survey respondents (56%) citing the introduction of new products and services as a benefit; by contrast, only 23% cited the much-hyped location-based information. And amongst 'value exchange' models such as ad-funded free apps or phone bill discounts, personalised advertising emerged as the strongest, with 50% of respondents saying they would click through specifically targeted ads.

"Australians are the most receptive to mobile ads globally," said Patel, speaking at a Sydney presentation of the data. "Top tiers who offer value on mobile will win." He stressed a number of key drivers for a successful mobile ecosystem, including telco data plans that would allow users to freely consume content; an environment in which the mobile format played a significant part of content consumption; and the provision by carriers of reasonable business terms for advertisers

But Inmobi's regional director for the Pacific, Rob Marston, suggested mobile advertising still had some way to go even in the fertile Australian environment – with Inmobi's own click-through rate across

its Australian network at 0.2%. “I don’t think mobile’s really found its place yet,” he said. “Clearly, consumers are using it, it’s just not clear that advertisers... have worked out how to embrace it.”

Petroc Wilton

NEC BRINGS IP TELEPHONY TO UWS

NEC Australia has racked up another win in the unified communications space, with the University of Western Sydney launching a \$1.2 million system across six campuses in an effort to reduce operational costs as well as provide greater flexibility and portability to staff and students. The contract win comes on top of two deals for unified communications NEC made late last year with the University of South Australia and the Royal Automobile Club of Victoria.

MACQUARIE TELECOM TAPS

BMC FOR \$1.2M SERVER AUTOMATION DEAL

Macquarie Telecom has purchased A\$1.2million of server automation offerings from BMC Software in a bid to automate key IT processes, reduce costs and improve productivity across their data centres. Coming as part of a wider move to improve customer service and increase customer maturity, Macquarie selected the BladeLogic Server Automation Suite, BladeLogic Network Automation and Atrium Orchestrator from BMC. Macquarie said the additions will enable the company manage thousands of servers and network devices, each responsible for mission-critical applications.

SYBASE TEAMS UP WITH GEOMATIC TECH FOR MOBILITY SERVICE

SAP specialist Sybase Australia has sealed a deal with its long-time enterprise mobility partner, Geomatic Technologies (GT), to bring mobility-as-a-service to Australia’s mid-market. The company said that GT’s managed services division GT Central will enable businesses to draw on Sybase Afaria’s management and security features for smartphones and tablets – all remotely deployed and managed in GT Central’s hosted environments. Sybase Afaria is an enterprise-grade, mobile device management solution that supports a wide range of platforms including Windows Mobile, Blackberry, Palm, Symbian, Android, iPhone and iPad. Core device management features of Afaria include over-the-air device provisioning, inventory and configuration, and software deployment and updating. Mobile security features include data backup, power-on password protection, data-on-device encryption, mobile remote control, anti-virus and firewall, remote ‘kill’ and data wipe.

NEXUS S HANDSET SOON TO BE IN AUSTRALIAN VODA STORES

Vodafone announced that the Nexus S handset will soon be available in Vodafone Australia stores. The world’s first handset to come powered by the latest version of the Android platform known as Gingerbread, Nexus S will leverage Google’s technology and the latest Samsung hardware features. Customers can visit the company website to pre-register their interest.

NEW ZEALAND

Vodafone NZ pitches eleventh hour change to MTR regime

New Zealand’s move towards mobile termination rate regulation entered its final stages on Monday when eleven organisations made cross-submissions to the Commerce Commission’s standard terms determination process.

In January, the Commerce Commission released its draft determination which set a cost-based benchmark for voice calls to a mobile network. It wants rates to start at 4.6 cents per minute from April 1 falling to 3.9 cents by April 2014. SMS messages would effectively have a zero mobile termination rate with the so-called bill and keep model.

Vodafone responded to the draft determination with a 90-page public cross submission and six supple-

mentary documents making a case for a new proposal.

With a Commerce Commission-lead conference on the MTR regime scheduled for the beginning of March and a final standard terms determination due by March 31, it amounts to an eleventh hour bid to alter a process which has been running for eight years.

Vodafone said the Commerce Commissions draft proposal will benefit fix-line telephone carriers at the expense of mobile operators. The company's general manager of public policy Hayden Glass said: "The winners are likely to be fixed operators with a huge transfer of wealth from the mobile market into the fixed".

Glass said there is no guarantee Telecom NZ or any other fixed line operator will reduce prices to reflect lower mobile termination rates. He said the proposal risks harming the mobile sector and doing nothing for consumers.

Vodafone's submission suggests cutting mobile-to-mobile and SMS termination rates to cost with immediate effect while gradually reducing fixed to mobile termination rations and having the Commerce Commission monitor the change in the retail cost of calling a mobile from a fixed line phone.

Glass said this approach would also help relative mobile newcomer 2degrees.

Also in Vodafone's submission is a warning the bill and keep model for SMS messaging may encourage SMS spam. Glass said even a cost as low as 1 cent per message will help protect against spam.

In its submission Tuanz largely agrees with the draft determination but echoes Vodafone's concerns about SMS spam and suggests including provisions to guard against internationally-originated SMS and machine originated SMS traffic.

Bill Bennett

Tech Liberty calls on government to remove ISP liability

Thomas Beagle of the digital civil liberties lobby group Tech Liberties said the New Zealand government's move to make ISPs criminally liable when users breach name suppression orders is unjust and unworkable. The provision is part of the Criminal Procedure (Reform and Minimisation) Bill – a controversial attempt to reform and streamline the criminal justice system. Among other matters it changes the law around name suppression – which is widely used in New Zealand.

Beagle said while his group supports the bill's move to make it harder to get name suppression, its section on ISP liability is of serious concern. He said there's confusion over the term ISP, which in the bill clearly includes anyone who runs a website.

But the real problem is the idea of an ISP being liable to a fine of up to NZ\$100,000 if they have 'reason to believe' material on a website breaches a suppression order. Beagle said this is hard because there's no way of knowing what information has been suppressed.

Bill Bennett

Trans-Tasman telescope hunts quasar

If everything went to plan overnight, researchers at Warkworth Observatory north of Auckland will have operated six telescopes in Australia and New Zealand in the first trans-Tasman link-up of its kind.

Astronomers from AUT University's Institute for Radio Astronomy and Space Research, Australia's Commonwealth Scientific and Industrial Research Organisation, the University of Tasmania and Curtin University used very long baseline interferometry to collect data simultaneously from five radio telescopes observing a very remote quasar.

Karen and its Australian counterpart AARNet streamed data to a processing centre in Narrabri, where it was processed in real time and results shown on screen in Warkworth.

Sergei Gulyaev of AUT said the demonstration is an important step towards the Australasian SKA (Square Kilometre Array) bid, which uses the same technique.

Bill Bennett

About Communications Day (including the Line of NZ)

Communications Day is the telecommunications news authority of Australia and New Zealand. Published daily since 1994, CommsDay is expertly written and edited by a team of seven industry writers with a combined 113 years experience in technology reporting across Australia, NZ, Asia, the United States and Europe. CommsDay is available by subscription only and read by over 8,000 industry executives as well as policymakers and parliamentarians every week day.

PUBLISHED BY DECISIVE PUBLISHING

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Fax: +612 9261 5434 Website: www.commsday.com

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2011 events from CommsDay

Communications Day's events are regarded as peak telecom industry gatherings. Note these in your diary.

COMMSDAY SUMMIT 2011: Four Seasons Hotel, Sydney on 29/30 March 2011

Confirmed speakers include: Telstra CEO David Thodey, ACMA chair Chris Chapman, Optus wholesale MD Vicki Brady, Macquarie Telecom CEO David Tudehope, Internode CEO Simon Hackett, shadow communications minister Malcolm Turnbull, Comms Alliance CEO John Stanton, Allegro CEO David Waldie, TIO Simon Cohen + more

AUSTRALASIAN SATELLITE FORUM, Four Seasons Hotel, Sydney, 30 March 2011

ASIA SATELLITE BACKHAUL FORUM, M Hotel, Singapore, 1 March 2011

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