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FEDERAL BUDGET

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COMMUNICATIONS DAY

12 MAY 2010

AUSTRALIA/NEW ZEALAND EDITION, founded 1994

ISSUE 3742

UN agencies tap Conroy, Budde for global broadband commission

Communications minister Stephen Conroy has been appointed as one of around 20 international commissioners at the UN's new Broadband Commission for Digital Development, alongside ITU secretary-general Dr. Hamadoun Touré and UNESCO director-general Irina Bokova.

Australian broadband advocate Paul Budde has also been recruited to write a major research paper for the Commission and hailed Conroy's appointment as recognition of Australia's world leadership on telecommunications. Indeed, he said that the Commission owes its very existence partly to his own discussions with Dr. Touré on Australian developments in the field.

But Budde (right) also warned that the country risks international embarrassment if a change of government sees the NBN project in its current format ditched completely.

While the Commission's inception was reported by CommsDay last February from Mobile World Congress, the ITU and UNESCO have just officially announced its establishment in Geneva at the opening of the opening of the 2010 WSIS Forum. The Commission's brief is to "define strategies for accelerating broadband rollout worldwide" and to investigate applications for social benefit.

Touré and Bokova will serve as vice-chairs, joining Rwandan president Paul Kagame and Carlos Slim Hélu, honorary lifetime chairman of Grupo Carso, as co-chairs. Conroy has been announced as one of more than twenty commissioners attached to the project, a list which also includes Ericsson CEO Dr. Hans Erik Vestberg; US Federal Communications Commission Julius Genachowski; and Finland communications minister Suvi Lindén.

"The appointment recognises the Australian government's commitment to provide all Australians with affordable high speed broadband, no matter where they live," said Conroy. "The digital economy presents social and economic opportunities that have never before been possible and making the most of these opportunities will be crucial for nations around the world... the NBN will lift Australia to the top of world rankings when it comes to broadband access and I'm pleased to see the ITU has recognised our important work."

"I look forward to sharing Australia's experiences in developing our National Broadband Network as well as contributing to the work of the Commission... I also welcome the opportunity to hear from the experiences of other ITU Member States."

AUS TELCO LEADERSHIP KEY FACTOR: Budde told CommsDay that Australia's broadband plans had played a key part in the genesis of the Commission. "The fact that the UN Commission has been established is partly due to the fact that Australia's taken a leadership role - when I discussed this with [Dr. Touré] back in October, he was very enthusiastic about the transsectoral concept on broadband, and after followup meetings, this resulted in this Commission," he explained.

"Obviously, because of our involvement from Australia, Senator Conroy was high on the list as one of the commissioners - because of the enormous amount of experience we have in Australia of the broadband network as a utility rather than a profits system."



But a potential spanner in the works is looming in the shape of the federal opposition, which has pledged to abandon the NBN in its current form if it comes to power this year – a step that Budde implored the Liberals to reconsider. “It’s quite amazing that this UN commission is getting off the ground, very much based on some of the work that’s being done in Australia. We are for once a leader in the world in telecommunications.... it would be quite embarrassing internationally if the ones who started the whole thing and are internationally recognised for it say they’re not going to do it,” he said.

“I’ve learned from talking to the opposition that they do agree with the principles of the transsectoral approach,” concluded Budde. “OK – make changes because you’re a different political party. But take this as a starting point rather than abandoning it.”

The Commission will meet in Geneva in the middle of this year and is then expected to deliver its findings to the UN Secretary-General in September, immediately before the UN summit in New York to review progress towards the Millennium Development Goals. Budde’s report “an in-depth research paper that will examine the social and economic benefits of broadband rollout, evaluate different deployment and financing models, and look at the different technologies that can be employed to bring maximum speeds and network reach at affordable prices,” will form part of this commitment.

Petroc Wilton

Budget resources regulators to monitor NBN

There were few major surprises for the communications sector in the Australian Federal Budget for 2010/11 delivered in Canberra last night, with the government confirming it was making a substantial provision for regulatory and policy oversight of the National Broadband Network in the coming years.

The government said it will provide \$15.0 million over four years to 2013-14 for the continued support of the implementation of the NBN. Of this, \$12.9 million will be provided to the Department of Broadband, Communications and the Digital Economy and \$2.1 million to the Department of Finance and Deregulation. This spending will:

- fund policy and regulatory support for the roll-out;
- provide for overseeing the contract with Nextgen Networks to construct the Regional Backbone Blackspots transmission links; and
- manage the government’s shareholding in NBN Co Ltd.

In addition, the government will provide \$24.0 million over five years to the Australian Competition and Consumer Commission to establish and administer the proposed regulatory arrangements for the National Broadband Network.

This measure will fund the ACCC’s regulatory oversight of NBN Co including for:

- implementing specific access arrangements for NBN Co;
- administering the NBN Co regulatory framework, including assessment of price and non-price terms and conditions for access;
- providing advice to Government on relevant regulatory matters; and
- undertaking regulatory reporting.

The cost of this measure will be fully recovered by the Australian Communications and Media Authority from annual carrier licence charges collected under the Telecommunications (Carrier Licence Charges) Act 1997.

Funding for the NBN itself is off-budget because it is considered an equity investment.

OTHER HIGHLIGHTS OF BUDGET: Also in last night’s budget paper was confirmation of a \$47.5m rebate on license fees to broadcasters in the 2010/11 year.

Also some \$4.5m will be cut from Australian Broadband Guarantee spending, with \$3.5m of that being returned to the department to pay for technical advice and geospatial mapping capacity

And as previously announced earlier this year, some \$375.4 million will be spent over twelve years to provide transmission of digital free-to-air television services from a new satellite platform – the Viewer Access Satellite Television (VAST) service.

Communications minister Stephen Conroy also announced a satellite subsidy of \$99.1 million to

the end of 2013 for those viewers in communities reliant on community run self-help towers who will now need to access the new satellite service because of the closure of these self help sites.

" The satellite subsidy will be a minimum of \$400 per household, with higher amounts of \$550 for defined 'very remote area' households and \$700 for defined 'far north tropical' households. In addition to these subsidy amounts, households in identified remote indigenous communities may be eligible for an additional \$280 worth of assistance," Senator Conroy said.

Conroy said approximately 130,000 households in over 600 communities, in mostly regional and remote areas, may be eligible for this subsidy.

Finally, the government will spend \$467m over two years to create a national electronic health record system.

Optus declares end of ULL price war: Telstra knocked back by ACT again

Optus has urged Telstra to call off its lawyers and stop wasting time on appeals after the Australian Competition Tribunal again rejected its bid for a \$30 monthly ULLS price in Band 2 metro areas.

Optus was notified by the tribunal that Telstra's appeal against the Australian Consumer and Competition Commission's decision refusing its bid for a \$30 monthly price had been shot down. "We have been notified officially that the appeal has been rejected. This is the 6th time that Telstra's push for \$30 has been rejected," a spokesman told CommsDay. "When is it going to end? You can't keep putting up the same thing over again and being told it won't work."

Currently Band 2 pricing is \$16 per month and, according to the ACCC, this zone covers 70 per cent of the Australian population. The ACCC rejected the same \$30 monthly proposal from Telstra as recently as April of last year. The regulator noted at the time that Telstra had submitted four other applications regarding the ULLS service since 2004, all of them being rejected bar one which was withdrawn.

"Telstra needs to realise that its war on ULL wholesale prices has now been lost. For the benefit of the industry and Australia's broadband customers, it should call off its lawyers and confirm today that no further appeals to raise broadband prices will take place," said Optus director of government and corporate affairs Maha Krishnapillai.

"Telstra have been trying to get a \$30 price up and running, which is nearly double what the ACCC has mandated. We are calling on Telstra to stop this. Their undertaking expires in December anyway," another spokesman for Optus told CommsDay.

Telstra has shrugged off the decision, instead looking forward to the ACCC's consultation process eventually delivering the pricing outcomes it wants. "It has been 12 months since we appealed and over two years since we lodged the undertaking. Since then the ACCC has started industry consultation on how to best determine regulated access pricing," a Telstra spokesman told CommsDay. "We support this approach and are focused on achieving certainty for Telstra and industry, as quickly as possible, through a resolution of the appropriate costing of our network."

Telstra would not comment on whether it planned a further appeal to the Federal Court.

Miro Sandev

Dodo, ispONE jump on Point Cook bandwagon

Dodo and ispONE have teamed up with Telstra Wholesale for its technical and commercial trial of broadband services over FTTP infrastructure to about 1500 homes in the Melbourne suburb of Point Cook.

The two new service providers join Internode and Exetel in offering Point Cook residents FTTP access to internet services, which will be delivered via Telstra Wholesale's fibre access broadband Layer 2 internet grade product. The wholesale product is being offered at speeds of 8Mbps, 30Mbps and 100Mbps. "We are pleased to receive an invitation from Telstra Wholesale with whom we had had a strong relationship... for many years. ispONE has been an advocate for ISPs since its inception, and look forward to being able to offer our customers innovative new products and being part of a trial that will form a precursor to the NBN," said ispONE MD Zac Swindells.

The FTTP trial will run from 10 May to 30 November 2010. According to Telstra Wholesale GMD Paul Geason, "this is the first time that Telstra Wholesale has offered access to broadband over high-speed fibre to our wholesale customers and as part of this trial any services that are delivered over the next six months will continue to be supported after the trial ends later this year." Negotiations with several other service providers are also underway.

Miro Sandev

Optus, Telstra shake up mobile broadband plans

Optus has announced the launch of a range of new mobile broadband plans for use with Micro-Sim devices, including tablets, while rival Telstra has released new mobile broadband offerings for both consumers and SMBs. The Optus plans, which go on offer from 26 May 2010, will include both prepaid and BYO month-to-month plans. The new pre-paid plans feature a \$30 SIM Starter Kit with 3Gb total data available, while recharge options range from \$15 for 500MB to \$130 for 14GB; Optus is also offering a bonus 1GB of data with every recharge up to 30 September. The post-paid plan, which is a BYO month-to-month deal, offers \$20 for 2GB, \$30 for 3GB and \$60 for 8GB.

Meanwhile Telstra has overhauled its mobile broadband plans for consumers and small operators. Some of the changes to consumer plans include increased included value compared to previous caps, flexibility to use included voice calls and SMS, data allowance included for Cap plans and increased for Ultimate plans. The new business cap plans replace four different business mobile plan options and include a new \$159 cap, free and untimed intra-account calling in Australia to other eligible mobiles, higher cap allowances and monthly data allowances.

Miro Sandev

SWING SENATORS GETTING UP TO SPEED ON NBN STUDY

Crossbench Senators whose vote could be critical to the fate of the Competition and Consumer Safeguards Bill have been boning up on the contents of the recently released NBN Implementation Study before the bill hits the Senate again today. Independent Senator Nick Xenophon was briefed on the study earlier this week, and is now deciding whether its contents merit a vote for the Bill's progress. Meanwhile, Family First Senator Steve Fielding is set to meet with Telstra today on the same issue, and will likely also sit down with the federal government thereafter. Fielding has hitherto resisted the Bill, holding out for a diplomatic resolution to Telstra's negotiations with NBN Co and the government; however, such resolution is beginning to look unlikely as the prospect of a close federal election casts doubt on the future of the NBN in its current form.

MOBILEACTIVE LICENSES UK CORPORATE SMS PLATFORM FOR ANZ

Independent Australian mobile phone entertainment content and services firm Mobileactive has licensed UK-based 2sms.com's corporate SMS messaging platform for the ANZ market. The platform is ISO27001 certified and can integrate via plug-ins to a range of applications from MS Office through Lotus Notes to Salesforce.com. Meanwhile, Mobileactive has already locked in its first client for the new offering; its B2B arm MobileEmbrace will supply TAFE SA with the capability to enable thousands of staff, lecturers and teachers to communicate and receive replies from their students via SMS.

AVST & ACTIVE COMMUNICATIONS ANNOUNCE APAC AGREEMENT

Applied Voice & Speech Technologies Inc. (AVST) and Active Communications Australia Pty Ltd, have signed an Asia Pacific Master Distribution Agreement for the full range of AVST and Active Voice products. Organisations in the region which currently use Active Voice products now have access to the full AVST product range.

TELSTRA TO INTRODUCE NEW BLACKBERRY PEARL SMARTPHONE

Telstra is set to be the launch partner for the new Blackberry smart-phone which will support high-speed 3G networks, Wi-Fi and GPS. It will be available exclusively for three months on Telstra's Next G network.

NEW ZEALAND

Regional Fibre Group hires CEO

The New Zealand Regional Fibre Group (NZRFG) moved closer to integration yesterday with the appointment of Vaughan Baker as CEO. The group, made up of electricity lines companies, is currently negotiating with the New Zealand government as it aims to win a slice of its NZ\$1.5 billion ultra-fast broadband (UFB) programme. Baker has a legal and accounting background and was previously with ICT consultancy Voco.

Strictly speaking, the NZRFG is made up of a number of electricity companies each aiming to be appointed as the local fibre company in one or more of the 33 regions across the country. However, NZRFG members have aligned their plans and collectively they form a third force with nationwide fibre aspirations along with Telecom NZ and Axia Netmedia.

Appointing a CEO ahead of the announcement of a shortlist – expected in June – can be seen as another move in three-cornered chess game. Yesterday Axia Netmedia revealed its partnership with Vodafone. Baker comes to the NZRFG from Voco, a consultancy. He was previously the programme manager for the NZRFG and was in charge of strategy, policy and helping with members' submissions for the UFB tender process. Baker trained as a lawyer and has accountancy qualifications.



Bill Bennett

XT NETWORK OFFERS IN-FLIGHT CALLS

Telecom NZ claims a New Zealand first signing a deal with Emirates and Malaysian Airlines which allows customers to make in-flight calls. The service allows voice calls, text messaging and 2G mobile data. Voice call prices are as sky-high as the mode of transport, with outward calls costing NZ\$13 a minute. Other charges are more modest, 80 cents per text message and data at \$40 a MB. Telecom said the prices are lower than call using onboard phone hardware.

BOLAND LEAVES TELSTRACLEAR FOR 2DEGREES

TelstraClear head of marketing and corporate affairs Mathew Boland has resigned and is moving to a new role as head of corporate affairs at 2degrees. According to PR industry blogger Michelle Boag, Boland is currently on 'gardening leave'. Boland's departure leaves TelstraClear without an official voice - a week ago the company's media relations manager Chris Mirams left the company to work for Westpac.

COMMUNICATIONS DAY Including The Line of NZ

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