

## INSIDE TODAY:

Latest from the iiNet-AFACT court hearing  
Vodafone NZ: termination is not wholesale  
Adam says 2009 a “stellar year”

## NZ ICT REPORT

Warning that national  
broadband rollout requires  
action on skills shortage

# COMMUNICATIONS DAY

WEDNESDAY 4 NOVEMBER 2009

Australia & New Zealand's telecom daily, founded 1994

ISSUE 3632



Live Racing Video Archived Video

Live Racing

THREE MILLION PEOPLE ARE ALREADY ON BOARD. SPRING RACING 2009

betfair  
BETTING AS IT SHOULD BE.

## Interactive services big winners at Melbourne Cup

Online and interactive pay TV-based betting services have proved the big winners from the Melbourne Cup. Profits from the biggest day in the Australian racing calendar are increasingly shifting towards telecoms-based betting services – with the ‘TabActive’ service on Foxtel and Optus TV now the fastest growing channel for TAB bets.

TabActive is run by Australian-grown interactive media outfit Two Way, and CEO Ben Reichel told CommsDay that punters were racking up bets over Foxtel and Optus TV in the hours before the Melbourne Cup race. “It’s going crazy, as you’d expect,” he said. “Last year, Melbourne Cup day was by far our biggest day... but this year the betting on that day has already been surpassed by half a dozen days just because of the growth in the service and the greater awareness.”

Two Way rebranded to TABActive just over two months ago to align the brand more closely with the recognised TAB service. “Since we had that rebrand and our new marketing campaign start at the beginning of September, the weekly betting turnover through the service is up by over 70%,” he said. “It’s coincided with the Spring carnival racing, of course, but we would be TabCorp’s fastest growing betting channel at the moment.” The company even operates a mobile-phone-based service, way2bet.mobi.

Two Way’s betting service saw over \$6m in turnover during October – a 65% increase over the previous month. 17,657 TAB account holders have placed at least one bet through the service, Reichel said, and close to 5.5m bets have now been placed on TabActive.

Two Way currently has regulatory approval in NSW and Victoria, and recently secured approval to launch in Western Australia. A launch in Perth is expected in Q2, 2010. The company is also pushing to

launch on Austar's Pay TV offering, Reichel said. "Those discussions have been going on for a little while. Austar has a lot of other priorities with the launch of their high-definition service."

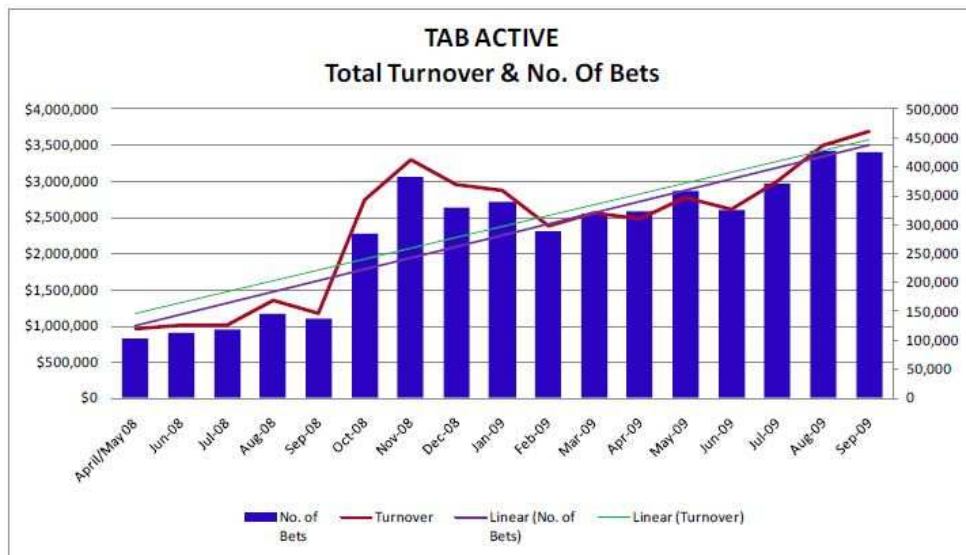
The company expects a further boost from the launch of two new Sky Racing channels early next year. "Our interactive service will basically be the main way to take control of those channels and make sure that you never miss a race," he said. But the company also hopes to expand into sports other than racing.

"What we've always been planning to do is to add sports betting which is a very rapidly growing market... those discussions have been in the pipeline for a while and hopefully we'll have something ready to announce on that soon."

**TEXT BOOM OVER RACING CARNIVAL:** Telstra predicted that over 100 million text messages would be sent across its network during the Spring Racing Carnival. More than 26 million SMS were anticipated by Telstra for each day of the four-day carnival, with around 300,000 MMS messages also expected each day.

Telstra also has streamed the racing carnival live on its BigPond site. Alongside live video streams of events, the BigPond website also links users through to the BetFair online wagering service.

Luke Coleman



## NZICT: Address skills shortage for broadband rollout

The telecoms and IT industry should act now to ensure there are enough skilled workers to complete the New Zealand broadband rollout, NZICT has said.

Unveiling a new report today at the Korea-Australia-New Zealand Broadband Summit in Auckland, NZICT says that New Zealand was still dogged by an ICT skills shortage, which was having a significant effect on the operations of some of the country's biggest organisations.

"NZICT and the Ministry of Economic Development note that the NZICT industry still faces difficulties

## Are you a service provider targeting telecom companies? Then join CommsDay Privileges

Is your organisation involved in providing professional services to telecom companies—for example, an analyst firm? A human resources firm? Legal or financial advisers? Seminar company?

If so CommsDay has an exciting new affinity plan that enables you to market to our elite base of nearly 9,000 major telecom influencers in Australia and New Zealand—representing the senior management of all major telecom operators, equipment suppliers and regulators.

CommsDay Privileges is an exciting new programme that enables service providers to the industry to offer discounts for their offerings to CommsDay readers, in return for promotion of their wares and services.

The affinity plan is win-win. It enables service providers to save marketing costs and directly reach an elite audience while at the same time provide a discount reward for CommsDay subscribers in purchasing your professional services.

For example, a human resources firm might offer a 25% discount to CommsDay readers to use its services. In return, CommsDay would promote this offer on a regular basis for the duration of the promotion in a dedicated section of the newsletter.

Participating is easy.

Simply write and email your offer (not more than 200 words) with a website, email address and contact phone number. We recommend you offer at least a 20% discount on normal prices, and also set a duration for the promotion and a promotion code that respondents must cite to obtain the discount. CommsDay will evaluate offers and publish them on a weekly to monthly basis. We offer no guarantees of publication or acceptance of your offer but will work with all respondents in good faith. There is no charge for service providers to participate in the programme.

Email Grahame Lynch at [grahamelynch@commsdaymail.com](mailto:grahamelynch@commsdaymail.com) with your offer and CommsDay Privileges in the header.

in recruiting qualified, skilled and experienced staff,” the report noted. “These difficulties are having a medium to major effect on 83% of respondents.”

The report recommended that the industry body work with key stakeholders to ensure there were “no disruptions” to the government’s planned fibre-to-the-premises rollout due to the skills shortage. “Although too early to be certain, ten companies (42% of company responses) stated that there is likely to be a skill shortage in the Government’s Ultra Fast Broadband Roll-out plan and 14 (58%) did not think a skill shortage is likely. Major areas of shortage are predicted to be network architects/designers/engineers and telecommunications technicians,” it said.

24 companies expressed a desire to be some way involved with the broadband rollout, with Auckland, Wellington and Christchurch identified as the preferred regions for skilled staff to be located. 53.9% of companies which responded to the survey were located in Auckland, 18.4% in Wellington and 5.3% in Christchurch.

“Companies who expect to be involved in the Government’s Ultra Fast Broadband Roll-out indicated that their major likely requirements 1-3 years out are in the areas of network architects, designers and engineers. This provides an early signal to the market of upcoming skill requirements. It is timely to consider now how these skills may best be secured to ensure that a lack of skills does not hinder the development of this key priority for the New Zealand economy,” it said.

“The ICT sector in New Zealand is proving to be particularly resilient despite the uncertainty of market conditions of the last 12 months,” the report said in its concluding remarks. “Of the 66% of companies who plan to increase overall staff levels, 26% plan to increase staff levels by 10 or more. Almost half of large companies surveyed (100+ staff) are still having difficulty recruiting qualified, skilled and experienced staff.”

Network and Systems Engineers were the second-most sought-after ICT workers after project managers, with the report noting there remained a “high demand” for telecoms engineers.

Luke Coleman

## Malone stands up to ‘cynical responses’ allegations

iiNet MD Michael Malone has kept his cool on the morning of his second day in the Federal Court witness box, weathering accusations of ‘cynical responses’ to the requests of the Australian Federation Against Copyright Theft.

iiNet stands accused of failing to take action against alleged copyright violations by its users, with AFACT barrister Tony Bannon SC casting the ISP’s response earlier this year – passing the matter on to police authorities – as an attempt to wash its hands of the matter while maintaining the appearance of diligence. But Malone stuck to his guns in the face of a flurry of questions from Bannon.

Bannon argued that, when AFACT brought the allegations of user copyright violations to iiNet’s notice last year, it had not suggested that the transgressions were on the scale of criminal conduct – rendering police involvement inappropriate. “I suggest to you that, well understanding that AFACT wasn’t alleging any criminal conduct, iiNet devised, under your authority, a response which interpreted the AFACT letter as an allegation of criminal conduct in order to justify its response of passing the material on to the police,” shot Bannon at Malone.

“[This occurred] in circumstances where iiNet knew that was a completely and utterly cynical and non-sensical response... to give iiNet the appearance of doing something useful, where you knew it would be completely and utterly pointless.”

The iiNet MD, however, maintained his long-held position that iiNet had no legal scope to pursue other avenues such as terminating users accused of copyright theft, or even issuing termination warnings. “We knew we couldn’t do anything about this directly, so we passed it on to someone who could – and, if they couldn’t help directly, they’d be able to assist AFACT with another authority,” he said.

“I suggest to you that you well understood that, if you had compelling evidence of copyright-infringing activity by a customer, you were well entitled to exercise your contractual rights to at least threaten to terminate the customer,” retorted Bannon.

“If we were directed to do so... by a court or an appropriately empowered law enforcement agency,” returned Malone.

The AFACT barrister queried whether Malone’s position really was whether iiNet should not have to exercise contractual rights to warn customers of disconnection without a court order. “I’ll go further and say I don’t think we’re permitted to do so until we have some form of enabling authority,” said Malone, who went on to roundly deny Bannon’s subsequent suggestions that his position might actively encourage copyright thieves.

The case continues today.

Petroc Wilton

## New handset syncs with Playstation media content

A new Sony Ericsson mobile handset will see the company take new strides into the online and digital media market. Now released in Australia, the Sony Ericsson 'Aino' uses Sony's 'MediaGo' technology to sync photos, music and video files stored on a Playstation 3 console to the mobile handset – and will soon be able to sync HDTV broadcasts recorded to the PS3 console.

Syncing media content can be performed via a local network connection or via the internet, meaning content stored on a PS3 can be loaded onto the Aino handset anywhere with an internet connection available. Once placed in a charging dock, the Aino automatically syncs with media content via Wi-Fi if a PC with MediaGo software is in range.

But mobile media syncing appears to be the tip of the iceberg for Sony's broadband ambitions in Australia. This month the company plans to unveil its 'PlayStation Network' video on demand service, allowing movies to be rented or purchased via a broadband connection directly to a PS3 console. Sony has also inked a deal with the ABC to stream its iView TV-over-broadband content directly to PS3 consoles. In addition, Sony is set to release a PS3 add-on which will be able to record HDTV broadcasts to the console's hard drive, which can then be synced to the Aino mobile handset. The content can also be synced to the popular PSP portable gaming device.

Luke Coleman

## String'em up – Northland Power hoists fibre high

Rural New Zealand can enjoy cost-effective fibre-optical network deployments said lines company Northpower, if existing infrastructure is utilised to get around the country's cumbersome Resource Management Act.

To deploy a high-speed fibre-optic network in the northern city of Whangarei, Northpower used its overhead structures and line space, as well as substations and existing ducts, resulting in minimal impact on the environment.

Legislation is needed to allow the deployment of fibre networks on existing structures across private land, said Northpower's fibre and marketing manager Darren Mason, as it's the only way to provide an affordable superfast broadband rollout for rural New Zealand.

Northpower's network is a 100km passive optical one, stretching through Whangarei from north to south, with further fibre in the Ruakaka and Dargaville townships.

According to Mason, the network that went live at the start of this year, now offers "true competition to Telecom." Northpower will act as an open access Layer 2 wholesale provider, with customers buying capacity off retailers. Symmetric speeds for customers of up to 1Gbit/s are possible on the network.

Mason said that presently, TelstraClear operates as a retailer with its Next IP range of services on the Whangarei network, as well as a local data centre. However, from late January next year the network will go fully open access and other retailers can come aboard then.

Juha Saarinen

## No sellout imminent: 2 Degrees

Rumours that 2 Degrees' majority owners Trilogy International Partners will up stumps and sell the third mobile network entrant once 5% market share is reached are untrue, the telco's chief commercial officer Bill McCabe has said.

A poster on popular technology website Geekzone sparked off the rumours by positing that 2 Degrees

## COMMUNICATIONS DAY

Including The Line of NZ

**Published by Decisive Publishing**

**Decisive Mail**

PO Box A191 Sydney South NSW 1235  
AUSTRALIA.

**Publisher: Grahame Lynch**

Grahamelynych@commsdaymail.com  
+66 81 7017664

**Decisive Fax:** +612 9261 5434

**Decisive Internet:** www.commsday.com

For advertising details contact Sally Lloyd at  
sally@commsday.com.au or call 02 92615435

**Chief Editor:** Luke Coleman

Luke@commsday.com.au  
02 9261 5490

**Assistant Editor:** Petroc Wilton

02 9261 5436 petroc@commsdaymail.com

**Editor, United States:** Patrick Neighly

Pneighly@madyakpress.com

**Correspondent, Auckland:** Juha Saarinen

juha@saarinen.org

**Journalist:** Kei Contreras

kei@commsdaymail.com

**Editor at large:** Tony Chan

tony@commsdaymail.com

THIS PUBLICATION IS COPYRIGHT AND CANNOT BE REPRODUCED OR DISTRIBUTED WITHOUT OUR EXPRESS PERMISSION. OFFENDERS CAN BE PROSECUTED.

For subscription details contact Laraine Davis at  
laraine@commsday.com.au or phone at 02 9264 1781

has “no plans whatsoever to solidify themselves as a genuine third mobile operator.”

Instead, the poster wrote, the business strategy for 2 Degrees is to sell the operation to the highest bidder once a 5% market share is reached. Vodafone or Telecom were mooted as the potential buyers of 2 Degrees.

Part of the reason for the deal is Maori fund Hautaki Trust allegedly having failed to raise NZ\$20 million to keep their shareholding in 2 Degrees intact and not diluted due to the increased share capital from Trilogy.

None of this is true, McCabe said. “We have no such strategy and nor do our share holders,” he said. Trilogy are not short term investors, having been in Bolivia for ten years already, according to McCabe and there’s no intention of selling at the suggested 5% market threshold. 2 Degrees is committed to providing long-term sustainable competition for New Zealand and value to its customers, McCabe said. He added that Hautaki may seek additional funding, but referred queries about the details to the Maori trust as it’s not an issue for 2 Degrees’ management.

Juha Saarinen

## **Termination rates not wholesale charges: Vodafone NZ**

Vodafone is at loggerheads with the NZ regulator, the Commerce Commission, as to the nature of termination rates, insisting that these do not comprise wholesale charges.

While telcos are charged NZ14c a minute for landing voice calls on Vodafone and Telecom’s networks, and 9c per SMS, retail customers enjoy far lower charges. This, said new entrant 2 Degrees’ commercial operations officer Bill McCabe, shows that the termination rates are well above cost.

However, Vodafone spokesman Paul Brislen insists that termination rates are not wholesale rates because of a two-sided market.

“We charge two different sources for the end retail prices,” Brislen said. “We charge Telecom to connect to our network and we charge retail customers to make calls on our network, but the two prices don’t relate to each other in that way,” according to Brislen.

Lowering termination rates will only lead to low-spending customers being deemed uneconomic, said Brislen. Currently, Vodafone’s minimum spend per year is NZ\$20 to keep an account active. Moving to Bill and Keep would end that, Brislen said, hinting at minimum charges going up to compensate for the loss of termination rate revenue.

Presently, the Commission is conducting an MTAS investigation that will look into the basic cost of wholesale termination, a spokesperson for the regulator said.

Juha Saarinen

## **Adam swells its ranks in wake of ‘stellar’ year**

South-Australian based Adam Internet has bolstered its ranks by better than fifty people, after a year that has seen the firm win a state and federally-funded WiMAX project across Adelaide and commit to a new \$6 million data centre.

The deluge of new posts includes a number of ‘key executive positions’ to back the ISP’s plans for future growth. The firm has already made a rash of new appointments, including a new sales GM.

“Adam Internet has had a stellar year. We were awarded the State and Federally-funded WiMAX project to eliminate broadband blackspots in metropolitan Adelaide and will soon unveil our state-of-the-art data centre,” said MD Scott Hicks, adding that while Adam will not forget its core residential business, it will also now be pursuing the corporate market.

“To capitalise on our position as a key player in the Information, Communication and Technology (ICT) industry, it is critical we focus on growth areas within SA,” he continued. “We have identified the greatest potential for development of our business in the corporate and government sectors, and have recruited some of the best in the industry to assist us with that push.”

And Hicks was confident of more expansion to come. “The coming months will bring even further growth for Adam Internet as we go live with WiMAX in SA and open our Mile End data centre to enhance our existing disaster recovery offering. I am confident the work we have put into building the business in recent years will stand us in good stead in the times ahead,” he finished.

Petroc Wilton

## **NSW hosts cyberbullying forum**

The NSW Department of Education and Training will sponsor a forum seeking solutions to cyberbullying. Billed as The Cyberbullying Forum, the event hopes to increase the awareness of the participating students from 42 schools across NSW. Students and parents from 23 schools are due to attend the forum in Sydney while 19 other schools will be linked in via video conference.

Some of Australia’s leading social media experts, researchers, and educators are said to be taking part in the forum. Keynote speakers include Edith Cowan University’s Professor Donna Cross, whose speech will make recommendations on how to reduce harm from cyberbullying; and Queensland University of Technol-

ogy's Marilyn Campbell. NSW education and training minister Verity Firth will also be present to address the forum.

A panel of industry experts has also been chosen to provide insights into online social media. They include Bebo.com UK's CSO Dr. Rachel O'Connor; Girlfriend magazine's editor Sarah Cornish; ninemsn MSN products director Alex Parsons; and Telstra Enterprise & Government national GM for education Susi Steigler-Peters.

Kei Contreras

## **Sydney Uni researcher says open source, not industry key to e-health**

The key to e-health driven efficiency gains in the health sector lies in open source software rather than large corporate solutions, says a University of Sydney informatics researcher. Professor Jon Patrick commended the National Health and Hospitals Reform Commission's endorsement of an e-health policy and open technical standards framework, but said the Commission's faith in industry to realise an e-health solution was "misguided."

"It's not in industry's long-term interests to come up with efficient and interoperable e-health systems," said Patrick. "And importing readymade software from offshore won't cater to administrative differences in the Australian health system, as we have seen with the critical response of clinicians to Firstnet, NSW's imported Emergency Department information system."

Rather, Patrick recommended that the government pump funding into R&D directed at clinical information systems, for which independent open source software could be a boon. "Open source will allow clinicians from different practices and hospitals to communicate with each other while accommodating their individual and often-changing needs," he said. "For instance, one key to successful rollout of a CIS would be the ability to embed existing hospital forms within the CIS. An open source platform could incorporate standardised coding of different forms so hospitals wouldn't need to have the same forms in order to share information."

Patrick noted that many industry players might shy away from the risk and possible loss of reputation that might come from rolling out a CIS, leaving the best developers for an optimal CIS as independent software engineering researchers – though he also suggested that clued-up bureaucrats should be part of the process. "An advanced common viewing application, allowing users to read and analyse each others' information, would ensure seamlessness in such an environment," he added. "This would be something like Acrobat Reader but with the ability to analyse clinical information with intelligence."

Petroc Wilton

### **BACKCHAT'S GLOBALSIM TO REDUCE ROAMING FEES**

Australian roaming solutions provider BackChat Mobile has announced a new SIM pack hoped to cut mobile roaming expenses. The company claimed that mobile roaming ranks as the third highest cost for overseas travellers after flights and accommodation, and has released a new package called GlobalSIM. The prepaid SIM card enables travelers to monitor their spending during trips, with call rates in popular destinations set at \$0.99 per minute – a huge difference from carrier fees which can go as high as \$10 per minute.

### **KASEYA ANNOUNCES TWO NEW APPOINTEES**

IT automation software provider Kaseya has welcomed Helene Eberle and Josh Tipping as account manager and support engineer. As the new account manager, Eberle will be the main point of contact for more than 400 Managed Service Provider (MSP) partners in Australia. She will also be in charge of organising the company's local user groups. Tipping will be responsible for all technical support queries from the ANZ region. He will also provide technical training and education to Kaseya's MSP partners through the quarterly boot camp program.

### **RIVERBED ENHANCES MOBILE WAN OPTIMISATION SOLUTIONS**

IT infrastructure performance company Riverbed Technology has announced improvements to its Mobile WAN optimisation solution. Riverbed's Steelhead Mobile 3.0 enhancements include the acceleration of Windows 7 and 64-bit systems for mobile end users; employing URL learning, page parsing, embedded object pre-fetching and metadata acceleration modes; and Branch Warming to enable greater overall acceleration.

### **CLARIFICATION**

An article in Monday's edition of CommsDay incorrectly referred to Eaton Fuel Saver as Eaton Fuel Server, and also incorrectly called the SC200 a 'power system' when it is in fact a power system controller. The new controller has two new site-programmable options, and is said to help minimise diesel consumption by optimising battery use to reduce or delay diesel generator starts for backup to a poor alternating current (AC) grid supply.