

AAB: Rebukes Optus for inconsistency citing Opel

PREMIUM MOBILE: Work underway on new code

INTERNODE: Launches another SA WiMAX network

NBN ROLLOUT

Stephen Conroy says metro rollouts will not be delayed by independents deal

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What's happening today in telecom business, policy & technology

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ACCAN: Privacy Commissioner must step up telco game

New research funded by the Australian Communications Consumer Action Network shows telecoms privacy complaints emerging as a serious issue within the industry, numbering in the tens of thousands in the past year.

But while the Australian Communications and Media Authority and the Telecommunications Industry Ombudsman are taking an aggressive stance on both high profile privacy enforcement and rapid resolution, the Office of the Privacy Commissioner is apparently lagging dramatically on both counts.

Conducted by the UNSW Cyberspace Law and Policy Centre and funded by ACCAN's grant scheme, the 'Communications Privacy Complaints' report polled the three bodies to find that that Australians had made 21,000 comms-related privacy complaints in the last year – ranging from issues with personal detail disclosure through unwanted telemarketing activity to life-threatening calls.

The ACMA received the vast bulk of the complaints through the year at around 16,000, but the survey found that the regulator resolved issues within an average of five days; the TIO fielded some 5,000 complaints and took an average of ten days to deal with them. The OPC, though, received just 110 complaints – but took an average of six months to deal with each.

The report also noted that, unlike the ACMA and the TIO, the OPC “has never named a telecommunications organisation that has breached privacy, and there have been no formal determinations against any private sector organisation since 2005.”

“A small delay is to be expected at the OPC as they have a strong focus on conciliation and some of their matters may be more complex. However, no consumer should be waiting 6 months to have a privacy complaint in the communications sector resolved, and there appears to be little justification for the long delays at the OPC when they only handle around 1000 complaints in total each year,” said the Cyberspace Law and Policy Centre in the report.

INEFFECTIVE? “This cannot be considered an effective form of privacy protection... a significant delay in the complaints process is a heavy disadvantage to the consumer, and will typically be to the benefit of the business (as many consumers will be discouraged from pursuing complaints).”

“The OPC is going to have to step up their game – but they've got the perfect opportunity with a new Information Office and a new Privacy Commissioner [Timothy Pilgrim] to... really improve their processes,” ACCAN acting chief executive Teresa Corbin told CommsDay. “There's a fairly clear indication that something serious has to happen with privacy communications complaints; there has to be some better coordination between the bodies, and there has to be clearer information right from the start for consumers about which body is the best for them to get the best outcome.”

Corbin added that privacy issues were about to impact on the telecoms sector more strongly than ever before. “This report is very timely in that social networking is really stretching everybody's expectations... in lots of respects, consumer protection around privacy is not keeping pace with the technological developments,” she said, pointing at Google's US\$8.5 million settlement offer against class action privacy claims brought over its Buzz social networking site. “The reality is that we're moving into a whole new era when it comes to privacy related communications complaints, and you have to question – are we really ready?”

The Office of the Privacy Commissioner was not able to respond to a request for comment by deadline, but told CommsDay that it expected to release a statement today.

Petroc Wilton

Conroy: re-jigged NBN will reach metro areas, regions together

Communications minister Stephen Conroy has defended the reworked 'outside-in' NBN rollout against claims of commercial non-viability and preferential treatment for politically important electorates, saying it will reach metro and regional areas together. And the minister has also revealed that Telstra is expected to publish the heads of agreement with NBN Co before its AGM in November.

Speaking on Radio National, Conroy faced up to analyst suggestions that the renewed focus on regional areas, described by independent Rob Oakeshott as "outside-in," flips the project on its head by beginning with the least commercially viable regions. In response Conroy stressed the simultaneous nature of the rollout.

"The analysts are all basing their assessments on a rollout that was entirely focused on metropolitan areas," said Conroy. "When the NBN is being rolled out...at its absolute peak there will be 31 places around Australia being rolled out at the same time. What this agreement [with the independents] says is that instead of it all being metropolitan there will be prioritised regional areas - that does not mean we are not building it in metro areas as well."

The minister also indicated NBN Co will be shedding more light on the process of accelerating the wireless rollout and interim satellite solution as it publishes its work plan after factoring in the agreement with the independents. Conroy remained adamant that the independents' electorates would not be receiving any preferential treatment as a result of the fiercely-conducted negotiations to form a minority government.

"[The independents] didn't seek it and they have not been granted it," he said. "What they have received is an agreement to prioritise regional Australia more than it would have been in the situation of a Telstra or Optus purely commercial rollout."

TELSTRA PACT TO BE PUBLISHED BEFORE AGM: The minister also revealed that Telstra was expected to publish the details of its proposed A\$11 billion heads of agreement with NBN Co well before Telstra's AGM in November - despite an eight week delay due to the election and the ensuing uncertainty.

"All of that legal work has been going along, probably slower than if there had not been an election," said the minister. "But I understand that Telstra would hope to have signed what we call a long-form agreement so that at least the agreement can be published before their annual general meeting in November."

NBN Co signed the A\$11 billion heads of agreement in June with Telstra; if approved by shareholders and the Australian Competition and Consumer Commission, it would provide NBN Co with access to all of Telstra's existing infrastructure and the transfer of fixed line copper customers over to the NBN.

Miro Sandev

AAB strikes back against Optus criticism

The Alliance for Affordable Broadband says Optus' criticisms of its manifesto are inconsistent.

In the wake of the federal election, the nine telco execs have continued their campaign to promote infrastructure-based competition, make NBN processes more transparent, and argue for a broader role for wireless in the NBN build. Optus director of corporate and government affairs Maha Krishnapillai said that infrastructure based-competition had been tried and failed, citing Optus' own experience with its HFC network build, but the AAB retorted that his message was contradictory.

"Krishnapillai explains that infrastructure based competition is essentially a waste of time... yet later goes on to espouse the success of infrastructure based competition in mobile networks as a leading example of something that 'is not broken'," said the Alliance. "We are keen to discuss these issues with Optus in order to gain some clarity on Optus' position as to whether it believes in infrastructure based competition or not, or perhaps importantly under what conditions."

The AAB also took to task Krishnapillai's contention that their proposal of a wholesale 4G network

as part of an NBN would introduce unnecessary complications to an already competitive mobile market.

“Optus' position on this appears somewhat inconsistent because this concept was actually pioneered by Optus itself,” the group asserted. “Less than 3 years ago, Optus was the successful bidder with its own wholesale 3.5G/4G wireless (WiMAX) provider called OPEL. Under its successful bid, Opel was essentially overbuilding the other mobile operator's network with government assistance of approximately \$850m.”

“Optus' position today appears to be in direct contrast to its position under Opel and the AAB looks forward to discussing these inconsistencies with Optus to gain further clarification of whether Optus still supports the open access wholesale only wireless model it pioneered to the industry back in 2007.”

Petroc Wilton

Premium mobile services to get reworked industry code

In a key test of the industry's ability to self-regulate amid growing calls for tougher consumer protection mechanisms, the Communications Alliance has announced that Jane Smith – a former head of the NSW Office of Film and Television and a telecom policy advisor during the Hawke administration – will head up a revision of the Mobile Premium Services (MPS) Code.

The decision to revise the MPS code – one of the key consumer protection co-regulatory codes maintained by Communications Alliance – comes following a review of the code that garnered a wide response from industry. In all 18 submissions were received from key regulatory groups, carriers and content providers.

Smith will chair the working committee that will carry out the revision before presenting a revised code to the ACMA during the first half of 2011. However, there are already a number of divergent views that she will have to take into account going on the public submissions.



A number of content and service providers pointed to the drop in complaints in relation to mobile premium services, arguing that the existing code and regulatory measures are sufficient, with just minimal tweaking of the code warranted.

Content provider Fox Mobile Group echoed a number of companies in suggesting that the drop in complaints did not justify further revisions. “The large drop in TIO complaints is compelling evidence that the code in its current form is working and there is not a need for a substantial code review,” it said, while fellow content provider Oxygen8 Communications believed the regulatory requirements are already hurting legitimate businesses in the space and called for business interests to be protected.

Optus also weighed into the debate, siding with the content providers in suggesting that a number of regulations have already been put in place to safeguard consumers. “Optus does not believe that a fundamental revision of the code is necessary or warranted,” it said.

However, that position would put it at odds with regulatory bodies including the ACCC and the ACMA, both of which have outstanding concerns with the code despite the recent changes. “The ACCC considers that it is vital that carriers and aggregators make a substantially greater contribution to improve consumer outcomes in the provision of MPS,” it stated.

Smith will have to bring together the two sides, which are divided between those that believe the existing code is adequate and the growing calls from regulatory and consumer bodies for tougher codes that better protect end users. Communications Alliance CEO John Stanton said Smith was well placed to lead the revision, having extensive experience in both the content and telecommunications fields.

“Jane spent nine years as head of the NSW Office of Film and Television. She has occupied senior strategic roles with the ABC, has worked for Hugh Jackman in the film production field, and has been the telecommunications policy adviser to a Federal Minister for Communications, after beginning her career with Telecom Australia,” Stanton pointed out.

The revision will be conducted by an elected MPS Code Revision Working Committee that will include consumer representatives, representatives of the telecommunications carrier sector and representatives of the Aggregator/Content Provider sector.

Meanwhile, the Communications Alliance has separately embarked on a revision of its other main consumer code, the Telecommunications Consumer Protection (TCP) Code – a project that will also con-

Internode fires up WiMAX network in SA

Internode has launched its third regional WiMAX wireless network, servicing the Riverland and Murraylands areas of South Australia.

Following Internode's wireless broadband foray into the Yorke Peninsula and the Coorong region, the ISP's subsidiary Agile Communications teamed up with local partners Redback Technology at Berri and Riverland Internet at Renmark for the build.

"The network was built in conjunction with the Department of Transport, Energy and Infrastructure, also with the federal government's Clever Networks program...and we've worked with local councils as well," Agile Communications Operations & Infrastructure Manager Kym Cleggett told CommsDay.

Agile installed 28 kilometres of fibre in Berri, Murray Bridge and Port Pirie to deliver commercial broadband services for state government agencies in those towns. "We've also built a microwave network running from Murray Bridge along the river corridor to Renmark, capable of eight times STM-1," added Cleggett. The fixed WiMAX network delivers wireless DSL services using the 3.6GHz licensed wireless spectrum. Agile built a microwave backhaul service that links Berri with Murray Bridge, consisting of three new towers and one existing one. Commercial fibre-optic services are used to transfer data from Murray Bridge to Internode's data centre in Adelaide.

Under the federal government's Australian Broadband Guarantee initiative, if an individual or business in the region can't get ADSL, they are eligible for a free connection to a wireless DSL service, such as Internode's, which is worth about A\$1200. Cleggett thinks that the extended coverage for Internode broadband services will intensify competition in the Riverland and Murraylands in areas where users don't have access to ADSL. The largest other service in the region is Telstra's Next G network according to Cleggett, however the area is registered to Internode under the ABG until June next year.

The Internode network is configured to run speeds of up to 12Mbps depending on distance and line of sight to the towers. Cleggett is confident that: "More than 60% of [users] would see a 12 Mbps service. Certainly our range testing has indicated that is what we would expect to see."

Miro Sandev

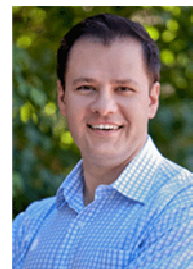
Ed Husic departs CEPU for Canberra

Communications, Electrical and Plumbing Union divisional secretary Ed Husic has resigned in order to enter the federal parliament as a Labor MP, days after the conclusion of a drawn-out conflict with Telstra over enterprise agreements.

Husic's move into politics was signalled at the beginning of April, when he won preselection for Chifley in Sydney's west - a safe ALP seat with a 20% margin. He has long been a prominent voice in telecoms industrial relations issues, especially those related to the NBN and the Telstra EA negotiations which have at times spilled over into overtime bans and work stoppages. Husic departs the CEPU just as the prolonged saga of Telstra EA disputes comes to a close; workers voted last week in favour of a new EA, with several concessions secured via union negotiations.

"The CEPU thanks Ed for his enormous contribution to the union and wishes him well in his new career," said the union. "We are certain that Ed will retain more than a passing interest in the rights and conditions of postal and telecommunications workers."

Meanwhile, the CEPU continues to engage with Telstra on a number of fronts. The union has slammed a pay freeze put in place this year for many employees in Telstra Consumer and Countrywide - for some, the second year without a pay increase in a year - and dismissed the telco's concept of "merit-based pay" as a "sham." It has pledged to seek discussions with Telstra on the issue, as well as on union members affected by the firm's reorganisation of its construction and maintenance planning and scheduling functions.



Petroc Wilton

AAPT boss raises questions on backhaul build transparency

AAPT CEO and Alliance for Affordable Broadband founding signatory Paul Broad has voiced concerns over the roll-out of the federal government's Backhaul Blackspots program, questioning the transparency and pricing arrangements of the project.

Asked in an interview with Business Spectator about possible concerns with predatory NBN pricing mooted by the NBN implementation study, Broad said the notion was fundamentally disconcerting. "The cornerstone of our national competition policy is you don't predatorily price... we struggled a bit even with this black spot build-out that Leightons are doing. We're struggling with that as well," he said. "We're not quite sure if that's open and transparent. We're not sure what the pricing is. We're not sure how we get access."

Broad said that AAPT strongly supported federal government efforts to strengthen the regulatory regime and keep it transparent, but "[does] not support in any way, shape or form a concept where a business funded by government, funded by taxpayers should be able to predatorily price and damage investments that have already been made in other infrastructure."

CSL aims for year-end LTE launch

Despite a completely revamped network currently at "low utilisation", Hong Kong mobile operator CSL is pushing ahead to launch its LTE service as early as end-2010. Christian Daigneault, chief technology officer at the Telstra-owned operator, says he already has more than 60 LTE sites deployed in his network around Hong Kong, and is planning to soft launch the service by the end of this year or early 2011. The aggressive timeline for the roll out of LTE, he explained, is driven primarily by two factors, the need to add capacity on the network, and to drive down the cost of that capacity.

"We deployed the network, what we called the Next G network in March 2009, since that time, the traffic has increased by 40 times," Daigneault told CommsDay. "We have build the Next G network with HSPA, now we are upgrading to dual carrier, so it has more capacity, but in any case, with more iPhones coming onto the network, mobile broadband, home broadband, all of this together, we are not talking about 30%, 50%, like we use to see with voice in the past. This is growth that you can't stop, that's why we see in 2012 we will be exhausting capacity, so you have to start preparing, you cannot build in 2012, you need to build in 2011, so you have it when you need it."

At the same time, LTE will be critical in helping the operator keep its costs in check while traffic continues to grow.

"With 3G, you have lots of capacity, the user experience is already very good if you have a good dimension network, the reason you do LTE is you need to continue to drive down the cost because people are using more and more, we have more users, and LTE is more efficient and will help us to continue to grow our capacity without increasing our cost," he said. "Why is that? We will be using the same backhaul and we will be using the same sites. The cost comes from adding more cells, micro cells, and we don't want to do that. We may do it in some cases, but if we can reuse some of the sites, then we keep the cost at the same level. Inversely, the cost per bit comes down."

From its trial network in Hong Kong, Daigneault found no major technical issues with its LTE solution - supplied by ZTE. While the deployment of LTE at 2600MHz won't offer as much coverage as conventional 900MHz GSM networks, the propagation of LTE signals has not been an issue for CSL's test sites, located around Hong Kong, Kowloon, as well as remote areas and over water, "so we could test all the different characteristics," he said.

"The complexity of LTE is when you build a network then you need to have handover, you need to have handover to 3G, 2G. This is the level of complexity that we will find and we will fine tune as we deploy, as we put on traffic," he said. "The foundations are there and it is working - there are no surprises."

Interestingly, it is not the iPhones, or smartphones that are the main drivers of traffic on CSL's network. Instead it is mobile broadband users on dongles and 3G-enabled laptops, as well as home broadband users that are generating

up to 80% of the traffic on the CSL network.

“Mostly, the traffic growth that we see, what concerns us the most, is mobile broadband, and the home broadband, this is 80% of our traffic,” Daigneault said. “The smartphone traffic is only 20%. It is growing as well but they consume much less than the broadband users.”

Tony Chan

OZHOSTING LAUNCHES HOSTED BLACKBERRY SERVICE

Australian web hosting company OzHosting has launched a hosted BlackBerry service with support for Microsoft Exchange as part of its plans to boost its cloud application and mobile email hosting services. The company's mobile email with hosted BlackBerry enterprise server allows companies to stay connected and maintain communications while employees are out of the office. “With the Cloud application space showing so much growth in our sector, our hosted BlackBerry service offering will benefit both our retail and cloud reseller program customers who are looking to improve productivity and communications,” said the company's cloud services GM Anthony Banek.

PICNET LOCKS IN TECH SUPPORT CONTRACT WITH DMS MARITIME

Australian IT services provider PicNet announced it has won a four year contract to supply technology services to maritime services company DMS Maritime. Some of the projects planned include network consolidation and WAN optimisation assignments. The new four year contract extends an existing relationship between PicNet and DMS Maritime, which has been in effect since 2003.

NEW ZEALAND

Kordia's channel strategy bears fruit

After keeping it under wraps for more than a year, Kordia revealed yesterday it has entered a wholesale channel partnership with Datacom.

Keen to break out of its traditional broadcast industry base and expand its network services business, Kordia is building a wholesale channel for its OnKor managed WAN service. The company offers WAN and cloud computing services to systems integrators.

The company's relationship with Datacom has already won large WAN deals with customers including Wellington Regional Council and Farmers' Mutual Group.

Drew Gilpin, Kordia's general manager of sales and marketing said his company's boutique telco approach means its products are not a one-size-fits-all solution. He told CommsDay: “Nothing gets us more excited than when the phone rings and someone asks us if we can do something new or different with our network.”

Kordia's relatively small size gives integrators an alternative to Telecom and Gen-I which are largely geared towards servicing larger customers. The company has recently added voice, SIP and video to its OnKor portfolio. Gilpin said Kordia is already working with other partners and will announce these at a later date. He said: “The value of deals for OnKor is growing every month at the moment. The potential is huge.”

Bill Bennett

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