

**GRIM PREDICTION: TSO changes will kill Telecom NZ**

**TELSTRA: Video phones for business launched**

**TRANSPACIFIC CAPACITY: 12 terabits by end of 2010**

**KEVIN MORGAN COMMENT**

**The NBN might bring on a new network "duopsony" and force ISP mergers**

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## Greens, Fielding angered by Senate snub: Government's telecom bill agenda at risk

An act of Senate defiance by communications minister Stephen Conroy risks alienating key crossbench support, including that of the Australian Greens, for his efforts to see Telstra separated – and for future NBN legislation. Conroy drew outspoken criticism from cross-bench senators after failing to table the NBN implementation study yesterday, despite a Senate order to produce it by 10am.

With resolution on the Consumer and Competition Safeguards Bill now all but impossible for weeks if not months, the play could help to buy Conroy more time to complete behind-the-scenes negotiations with Telstra. Additionally, the legislation, which in addition to separating Telstra could also see the firm stripped of its HFC assets or blocked from next-generation mobile spectrum, might be construed as a more effective bargaining chip in the talks while it remains unresolved. But with Greens and Family First senators speaking out against the minister's no-show move, it could easily backfire disastrously at a time when a delicately balanced Senate makes cross-bench backing particularly important.

Conroy argued that, despite having had access to the report – a primary focus of days of heated Senate debate – for twelve days, the federal government was still processing its contents. "The government received the report on Friday 5 March and we are now taking some time to review it and brief Cabinet, before decisions are made about next steps," he said. "It is sensible, responsible and appropriate for governments to take some time to consider reports they receive before decisions are made about release and next steps."

Greens senator Scott Ludlam got the order to have the study tabled passed in the Senate last week. However, thirty days must now elapse before there can be any procedural consequences from failure to comply with such an order, and even then any punitive measures must be voted through by the Senate itself; historically a very rare occurrence. Nevertheless, with the support of his party a key factor in a divided Senate, Ludlam warned the move would certainly affect the Greens' ongoing engagement with the government on the contentious Telstra bill – and other key instruments for the success of the NBN.

**BILL PASSAGE THREATENED:** "This could become quite a serious impediment to the debate and passage of the Telstra legislation, and any consequential NBN legislation," Ludlam told CommsDay. "We were expecting the minister to make a statement at 10 o'clock [Wednesday] morning. They've got to say something; are they going to prevent this document from being put in the public domain, are they going to provide the public with an edited version, or are they just going to table the damn thing? All we have to go on at the moment is silence, and that will be construed accordingly."

Even Family First senator Steve Fielding, who has remained neutral on the Telstra breakup bill in the belief that ongoing government negotiations with soon bear fruit, was dismayed by Conroy's decision. "It is disappointing that they haven't tabled [the study]; it's an important document and, whether the government likes it or not, the structural separation of Telstra and the NBN are linked," said a spokesman. "All decisions regarding Telstra and NBN... should be discussed together, and to leave the implementation study out means we don't have all the details."

"We'll keep on calling on the government to release the study," he continued. "It's interesting; they want more time to look at the implementation study, we want more time to look at the whole legislation, but they're rushing it through! It's kind of ironic."



tomers pay a relatively high monthly connection charge. In order to subsidise loss-making rural customers, the company will need to increase the connection charge paid by urban customers. A higher fixed-charge component will make Telecom NZ uncompetitive with high-spending urban customers. Typically these customers buy tolls, broadband and local calling in a bundle. The high-spending urban customers are already being targeted by smaller telcos.

Howell said that over time Telecom NZ will be left with low-value, high-service cost customers who make lots of free calls and use dial-up internet, while its rivals will get the high spenders. In effect she said New Zealand's regulations restrict Telecom NZ's ability to manoeuvre while opening up opportunities for the new entrants. She said; "It could be enough to put the company under."

**HIGH SOCIAL COST:** Howell said that while hurting Telecom NZ is politically popular, damaging the corporation has unintended consequences elsewhere. Five years ago Telecom NZ was the largest company listed on the New Zealand Stock Exchange and accounted for about 20% of the country's share market. Then regulation bit. Yesterday, the share price hit an all time low at NZ\$2.14. The company now accounts for about 7% of the market. Howell said while there is a popular perception Telecom NZ is largely owned by wealthy overseas corporations, in reality it is mainly owned by local pension funds and other institutional investors. In other words there has been massive destruction of wealth.

Bill Bennett

## AUSTRALIA

### Field test success for satellite fire defence tech

Victoria's State Aircraft Unit (SAU) is now able to transmit real-time data to fire authorities thanks to lighter satellite technology that it can fit onto smaller aircraft.

Australian satellite technology provider TC Communications has recently finished fitting out SAU aircraft and the technology has already proven successful, according to Adam Damen, a technical systems specialist with SAU.

The solution provides commanders at any of the 43 incident control centres throughout the state with access to real-time snapshots of fire activity, enabling more effective fire fighting strategies. It also provides simultaneous voice and data communications at broadband speeds direct from the plane into headquarters. "We recently sent one of our planes to Tasmania to assist with a small bushfire north west of Hobart. We were able to fly down, transmit the data and fly back to the mainland without ever having to land the plane - a huge success both in terms of the cost of the mission and the capability provided," Damen explained.

The planes are equipped with SwiftBroadband Lite terminals that access Inmarsat's I-4 satellite network. "For us, this means providing regular real-time snapshots of a fire zone - regardless of how remote the location," said Damen. "The system has also been designed to allow for remote access to fire data which means we can assist other regions with their fire fighting capabilities."

**PLANNING FOR RESOURCES:** As well as mapping fire activity, Victoria's fire agencies use the technology to assist in planning for resources needed to fight fires.

"In January, we responded to a call for assistance in the Mallee region, which borders South Australia and New South Wales in Victoria's North West," said Damen. "We were able to assist the fire fighting authorities by mapping the area they had water bombed to see how effective it was in containing the fire. We were also able to provide information to help the authorities plan for resources needed to continue fighting the fire the next day."

Todd McDonnell, CEO of TC Communications, noted that aeronautical satellite communications have traditionally been a luxury only available to larger aero platforms and budgets. However, newer terminals are available that are approximately half the size and weight of traditional satellite communications systems. This gives small-to mid-size aircraft access to the type of technology which was previously unavailable due to the size of their platforms.

"We have had great success over the years in installing aircraft communications systems on larger aircraft like those used by the Australian Border Protection Command," said McDonnell. "However the cur-