

**TELSTRA: Turns on first public Wi-Fi hotspots**

**SURVEY: 28% of Australians using OTT comms**

**SOUTHERN CROSS: Cable to remain functional until 2030**

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**Networks head to depart after just one year in job**

# COMMUNICATIONS DAY

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## Foxtel, Fetch unfazed by confirmed arrival of Netflix

It's official: US over-the-top streaming video service Netflix will launch in Australia and New Zealand in March 2015. While its arrival had long been rumoured, this is the first time that the company has confirmed a launch date.

Telstra was quick to restate its existing video content credentials via its Foxtel tie-up. And FetchTV – a key rival to Foxtel, as the other big platform-based video player in the market – positioned the OTT streaming video on demand space that Netflix plays in as discrete from, and complementary to, its own efforts.



Netflix announced that its service would be available at launch on smart TVs, tablets and smartphones, computers and a range of internet-capable game consoles and set-top boxes. However, it said that additional details on pricing, programming and supported devices would be available at a later date. The firm's web site allows ANZ consumers to be alerted on further availability.

The arrival of Netflix comes as competition for streaming video services intensifies on both sides of the Tasman. In Australia both Foxtel and Telstra have recently introduced significant price drops for basic services, which now start at \$25 per month. New offering Stan – a joint venture between the Nine Network and Fairfax – is also slated to launch in the first quarter of next year.

Over in New Zealand, Spark has also recently launched its Lightbox video streaming service, while rival Sky is launching a service that will be bundled with Vodafone broadband at the end of the year. And West Australian-based Quickflix operates a similar service to Netflix in both Australia and New Zealand.

The reaction from New Zealand to Netflix's announcement was largely positive. Slingshot GM Taryn Hamilton welcomed the news and looked forward to more similar services entering, while InternetNZ CEO Jordan Carter said the organisation was "thrilled" that Netflix would be launching locally. "It's becoming clearer that the future of broadcasting is online. Netflix has shown with its huge success overseas that it is one of the very best at this game. Competition like this will lead to better choices and more content for New Zealanders," he said. "We've had Quickflix for a while, Lightbox is all go and Sky is also moving to an online model. With this level of competition we expect prices to drop and quality to improve."

Carter also suggested that the arrival of Netflix was likely to help drive the uptake of fibre. "This is exactly the sort of content that the UFB was designed for. It wasn't long ago that Youtube videos were all in grainy 240p. Now we're talking about streaming movies in HD. Getting the UFB out to New Zealanders like we are will ensure that we get the best of what the internet can offer."

The same rationale might conceivably be applied to Australia's NBN, but NBN Co itself forbore

to comment. Other key industry players were similarly reticent, though Telstra did take the opportunity to spruik its own video offering. “We have great variety today with our Entertainer Supreme Bundles and our incredibly low-priced Foxtel from Telstra packages. We also provide our customers with Australia’s largest online movie catalogue in BigPond Movies, as well as a premium streaming experience with Presto for less than \$10 per month,” said the firm. “We look forward to continuing bringing our customers great entertainment at great prices into the future.”

FetchTV Scott Lorson, meanwhile, was unruffled by the news. FetchTV partners with companies like iiNet and Optus and competes directly with Telstra/Foxtel, but Lorson has long argued that the real pay-TV money in Australia is in that platform space – the battle for the main living room TV – rather than OTT streaming.

“The courting is now coming to a close, and we’re entering a new phase in Australian media. We think it’s going to be a very exciting next six months!” Lorson told CommsDay. “We believe the platform players, ourselves and Foxtel, are incredibly well-positioned – and that one, and possibly two winners, will emerge in the SVOD space. But there’s no denying that will be a bloody battle with very high stakes.”

“We see the two battles as being discrete, and that OTT SVOD is a complementary proposition for a platform player such as Fetch.”

Indeed, Fetch has previously publicly expressed a willingness to partner with players such as Netflix. “We aspire to be a platform ecosystem, and the ability to integrate third-party products is a core competency,” said Lorson.

**NETFLIX EXPANSION:** As exclusively reported in CommsDay, one of Netflix's most senior software engineers – content delivery architecture director David Fullagar – was recently in Melbourne to brief the tech community on how it serves up content.

Fullagar did suggest that the service would soon have an impact on local internet traffic patterns. “The interesting thing is after a few years in every market we've operated in, we start to become a dominant form of traffic,” he said, noting that Netflix typically accounts for between 30-50% of downstream traffic in a range of markets. In its home market in the US, Netflix makes up around 33% of downstream net traffic in peak hours.

Canada was the first expansion zone for Netflix, which is now present in around 50 markets. Most recently it launched in six new European countries, including France and Germany, but it has also stated that the Asia region is in its plans.

At a recent conference call with analysts, the company noted that it had been obtaining the rights to content in Australia and other places in Asia, making it easier to expand here.

“A lot of our content choices have proven to be extremely global, starting with all of our original series – Orange Is the New Black and House of Cards have been huge successes in not just in Australia but in China, I mean, all over the world. So these buys bode well, I think, for future expansion in all territories,” said chief content officer Ted Sarandos.

Netflix uses its own “Open Connect” model for large-scale content delivery. The service also uses a cloud-based control plane connection that is hosted in three different locations on Amazon's web services platform.

Netflix benefits in having a content delivery network that serves a single purpose – delivering video from a fixed library of content. It can utilise off-peak times when the networks are less busy to fill its caches in advance. Those caches are located both in fixed exchanges that Netflix operates itself as well as cache appliances that it can place within the service provider's infrastructure.

“We developed this cache that would be very effective for service providers that wanted to have Netflix content within their network and reduce that middle mile traffic,” Fullagar explained. “For service providers that don't want to peer with us at the locations we have, they can take caches to augment [service] and further reduce costs.”

Geoff Long and Petroc Wilton

## One year on, Optus network boss departs

Optus networks MD Vic McClelland has resigned, barely a year into the role – triggering an internal and external global search for a replacement.

McClelland joined Optus in early November 2013, replacing Gunther Ottendorfer. McClelland's previous career included stints as Ericsson VP of internet services technology strategy in Silicon Valley; head of tech strategy and planning for Vodafone Australia; and CTO for Hutchison Telecoms Australia.

“Vic joined Optus in November 2013 and has driven significant improvements in Optus' mobile network performance including improvements to 3G in-building performance and the accelerated rollout of Optus' national 4G footprint,” said a spokesperson for the telco. “An internal and external global search for his replacement is underway. In the meantime, Vic will work with the Optus leadership team to ready our mobile network for the introduction of 700MHz spectrum when it becomes nationally available in January 2015.”

“[SingTel group CTO] Tay Soo Meng will lead the Networks team following Vic's departure. We wish Vic every success for the future.”

It's a critical time for Optus' network team, with the rollout of 700MHz 4G spectrum about to kick into high gear from the start of 2015. McClelland will be leaving the firm in February.

Petroc Wilton

## Telstra turns on first 150 hotspots in free Wi-Fi trial rollout

Telstra has kick-started the rollout of its public Wi-Fi network, switching on 150 hotspots as part of the planned trial deployment of 1,000 access points by Christmas – all of which will be initially free to use.

Sydney saw the first batch of hotspots going live some of the city's busiest locations including Hyde Park, Bondi Beach and Manly. Other launch locations included King George Square in Brisbane, Bourke Street Mall in Melbourne and the Barossa in Adelaide.

The firm had announced in March that it would be spending some A\$100 million to build Australia's largest Wi-Fi network and plans to have hotspots in a further 100 towns and cities before Christmas. Telstra will make access to the hotspots free to its existing fixed broadband users as a customer retention and acquisition strategy, but access to the Wi-Fi net will be free at all 1,000 planned trial sites until the network is officially launched commercially next year.

“We're preparing our home broadband customers now with the inclusion of the Gateway Max modem in our new bundles that [we] launched a few weeks ago and [this] is an important part of opting into this new network from next year,” said fixed broadband and bundles director Stuart Bird.

“We're not putting any data caps on the trial,” said mergers and acquisitions executive director Neil Louis, though he noted that the trial was limited to 30 minutes of usage per session.

Wireless solutions engineering manager Peter Ager addressed the issue of security around the network, saying “it's an open trial [and] we're asking customers not to do any data transfers that might put any of their personal data out there.” On this point Bird noted that Telstra was currently working through a security solution for the Wi-Fi network. “But that won't be ready until probably the second quarter of next calendar year,” he added.

Initially, the rollout will use Telstra's network of payphones to host the hotspots while following the trial these will be located at a range of sites to best reach communities such as the telco's retail outlets, exchange buildings as well as payphone sites.

Regional Australia is also set to feature in the telco's plans, with a key focus on regional hubs and tourist destinations in the first 1,000 sites to be deployed. Eventually, Telstra's grand design will include a tie-up with Madrid-based Wi-Fi-sharing firm Fon which has 13m hotspots worldwide.

Richard van der Draay

## **Ericsson: 28% of Australians using OTT comms**

A regional deep-dive into Ericsson's latest Mobility Report has drilled for the first time into how Australians are taking to over-the-top VoIP and video calls – and revealed that as many as 28% of consumers in the market are using the OTT comms apps.

Meanwhile, the report also forecasts LTE penetration around the 40% mark by the end of the year, with smartphones accounting for the vast bulk of that figure – and overall smartphone penetration to hit 80%.

Ericsson ANZ marketing head Warren Chaisatien said that 59% of daily internet users in Australia had at least two instant messaging apps, and 28% of consumers regularly used apps for VoIP or video calls. The threat that could present to operators is obvious, but Chaisatien said there was also an opportunity. “This is something that would provide a great opportunity for operators to monetise,” he told CommsDay.

“With the deployment of Voice over LTE and Web RTC technologies in coming years, operators can provide services with better quality than over-the-top players.” While it's the first time Ericsson has examined this particular data, Chaisatien also suggested that the popularity of OTT communications applications was likely to increase in the coming years, as LTE coverage increased in Australia.

On that note, Ericsson's report also suggested that LTE penetration in Australia would be up to around 40% by year's end – massively ahead of other countries in the region, except for Singapore, which was very close behind. It also put Australia's median mobile network speeds at around 11,000Kbps, behind only Singapore and way in front of other regional countries like Malaysia, Thailand, Vietnam and Indonesia.

Chaisatien added that the vast majority of LTE devices in Australia were likely smartphones, which – whether 3G or LTE – continued to grow in popularity in-country. “Current smartphone penetration in Australia stands at about 75% now... and by the end of this year we project that to grow to about 80%,” he said.

Petroc Wilton

## **Opengear targets Internet of Things market**

Brisbane-based remote management specialist Opengear is targetting the growing Internet of Things market with new out-of-band software for its appliances.

Opengear CEO Rick Stevenson said continued out-of-band innovation was imperative with the Internet of Things driving toward 26 billion connected units by the end of the decade. “The ability to interact with critical information and data in real-time, from far away and from any device, will be a must,” he said. “To do this as efficiently as possible, we want to move computation to the data, rather than moving data to the computation

Stevenson said the software would provide carrier and enterprise customers with increased access, monitoring, management, control, and decision-making.

“With this new software release, we're giving network administrators the accessible software capabilities they need to keep their remote infrastructures up and running,” he said.

Opengear's new software will provide network administrators with visibility into critical, real-time information from remote devices. It allows remote interaction with key data such as statuses on power levels, network availability, server performance, temperature conditions and cage door positions from any web interface, including via mobile phones and tablets.

Stevenson noted that the release also continues Opengear's emphasis on multi-vendor, multi-device management usability with the addition of the Raritan PX PDUs. He said Opengear continues to expand the number of third party devices supported.

Geoff Long

## **Greentouch aims to slash energy consumption with new access net techs**

Greentouch, a global consortium aiming to improve the energy efficiency of data networks, has unveiled a brace of new technologies which it said would cut energy use in wireline access networks by no less than 46%. The consortium revealed its new projects, one of which was partly developed in Australia, at its annual consortium members' meeting in Melbourne.

The Virtual Home Gateway moves power-hungry residential in-home networking gear and functionalities to the cloud, potentially consolidating hundreds of thousands of on-premise gateways into a smaller number of cloud servers. Greentouch believes this could reduce power consumption in the residential access network by 19%, which it said would be equivalent to the annual electricity consumption of 833,000 typical households. Meanwhile, the Point-to-Point Optical Transceiver is a complete hardware redesign of the standard optical transceiver that can leverage adaptive powering algorithms and, according to the consortium, could provide a 30-fold increase in energy efficiency.

"These efforts represent the contributions of teams around the world, one project being led by a team in Melbourne and the US and the other by a team in France, reflecting the extraordinary global nature of [our] collaboration," said Greentouch chair Thierry Van Landegem.

The Greentouch association comprises ICT industry, academic and non-governmental research experts dedicated to fundamentally transforming communications and data networks, including the internet, in order to dramatically reduce the carbon footprint of ICT devices, platforms and networks.

Richard van der Draay

## **Southern Cross locks in key customers to 2030**

Southern Cross Cable has declared that its subsea system will stay functional for at least the coming decade and a half – and in response, has secured capacity extension agreements from its seven largest customers until 2030.

After an extensive consulting process over the last year, with some of the world's foremost technical experts, and with Alcatel the supplier of the cable, the clear advice was there is every reason to be confident that the Southern Cross Cable Network will be fully functional until at least 2030," said CEO Anthony Briscoe. "As a result we presented the findings of our studies to our 7 largest customers who have unanimously agreed to extend their 'Capacity Use Agreements' until 2030."

The move could be timely. Jointly owned by Spark, Optus and Verizon, the cable system has big-name carriers like iiNet on its roster but is facing potential competition from projects like Hawaiki Cable – which this year locked in a NZ\$65 million anchor tenancy contract with the Research and Educational Advanced Network New Zealand, and has similar arrangements with Orcon and Voyager – and Bevan Slattery's Subpartners. Southern Cross Cable has been historically aggressive both in up-grading capacity and passing lowered bandwidth costs onto customers.

"From a total capability of just 160Gbps in 2001 to 6500Gbps today and with future upgrades planned as well, the needs of our customers in New Zealand and Australia are well covered," noted Briscoe.

Petroc Wilton

## **50% of ANZ enterprises plan to adopt IoT before end-2015: Zebra survey**

A new survey by Zebra Technologies, barcode and RFID specialist, has found strong support for Internet of Things solutions from enterprises in Australia and New Zealand as well as the Asia Pacific.

According to the survey, firms in Australia and New Zealand "readily recognise the transformational role of IoT solutions."

“Firms in Australia and NZ show a particularly high rate of adoption, with nearly 50% expected to have implemented IOT solutions before the end of 2015,” the survey said.

Across the Asia Pacific, the survey found that over 85% of firms in Asia Pacific believe that IoT solutions will be the most strategic technology initiative for their organisation in a decade, versus a global average of 80%. Asia Pacific firms also showed much higher deployment momentum, with over 70% having deployed or are in the process of deploying an IoT solution, compared to the global average of 65%, the survey said. “New cities, buildings, and infrastructure in many Asia Pacific countries have enabled this strong adoption rate.”

In terms of application type, Wi-Fi, real-time location tracking, and security sensors are the most popularly mentioned by respondents.

“Of firms surveyed globally, 83% identify Wi-Fi infrastructure and real-time location tracking technologies as important or very important building blocks of IoT solutions. Sensor technologies to monitor assets and the surrounding environment were also pointed to as important or very important technology elements by over 80% of global firms,” the survey said. “This result is also seen in Australian and NZ firms surveyed, who ranked Wi-Fi tracking as the most important element of IOT solutions, followed by mobile computing and GPS tracking.”

The survey also asked enterprises to identify the most important business benefit they expect from the IoT. In this respect, nearly half of the surveyed firms identified improved customer experience as one of the top five benefits of deploying IoT solutions.

“This sentiment is echoed by firms surveyed in Australia, with loss prevention ranking first, followed by improved delivery process, improved customer experience, improved regulatory compliance, and data driven actionable insight,” the survey said.

However, Australian firms also voiced concerns about the lack of maturity, lack of business case for investment, privacy and security concerns, implementation complexity and lack of executive support as the top five hurdles for IoT.

Tony Chan

## **BT launches Cloud Connect platform in AP, Middle East, and Africa**

BT has rolled out its own network for connecting customers to its own cloud services and the cloud services of third party providers.

The BT Cloud Connect platform will now be available in the Asia Pacific, Middle East and Africa regions, and allows customers to connect directly through BT’s network to various software-as-a-service providers and more than 200 third-party datacentres around the world.

“By building acceleration and security features into the network we are now increasing application performance, reducing bandwidth costs and improving security for our customers in the AMEA region,” BT said. “The Cloud Connect program also provides direct connections to BT’s own cloud services, including collaboration and unified communications, IT services and contact management. This reduces costs and speeds up delivery.”

Meanwhile, BT also announced the expansion of a series of cloud services in AMEA. BT One Cloud Cisco and BT One Cloud Lync will offer users in the AMEA region cloud-based, pay-as-you-go, unified communications and collaboration solutions.

At the same time, BT also launched BT for Life Sciences R&D in AMEA, bringing what it describes as “the first cloud service designed to enable collaboration within the life sciences industry for increase R&D productivity.”

Tony Chan

## **NYC to replace payphones with free Wi-Fi kiosks**

The city of New York has launched a project that will replace traditional pay phones with communications hubs that will offer Wi-Fi connectivity, a tablet style screen with access to applications on city

services and a keyboard for making phone calls. The units will also feature a charger for mobile phones.

The project, dubbed LinkNYC, will see the nearly 10-foot high structures installed in the city's five boroughs, reported the Wall Street Journal.

City officials expect the project to cost US\$200 million. Manufacturing for 500 initial structures is scheduled to begin next year with commercial installation by the end of 2015. The city is looking to install some 10,000 sites.

The units are also expected to generate revenue from advertising, with projected earnings in the range of US\$500 million over the next 12 years, the WSJ said. The project is being implemented by six commercial companies, including Qualcomm, which are expected to share the ad revenue with the city. In this way, no taxpayer money will be used for the project.

Tony Chan

## **AMCOM WINS A\$6.5M DATA NETWORK CONTRACT WITH NT GOV'T**

Amcom has won a A\$6.5 million deal with the Northern Territory government to deliver additional data network services across the territory, including a host of remote sites.

Amcom noted that the deal complemented an existing data network services agreement with the NT government that has been in place since 2010. Under the terms of the contract renewal, Amcom will supply data network services to an additional set of 141 sites, using the firm's existing fibre infrastructure as well as third party networks. In addition, the firm said it had been selected as a preferred supplier on the Fixed Voice Services panel for the territory government, which it said would enable agencies to directly connect to the company's IP voice platform.

## **MINT PARTNERS BEYOND BANK IN 3-YEAR MOBILE PAYMENT DEAL**

Sydney-based mobile payments specialist Mint Wireless has entered into an agreement with Community CPS Australia, trading as Beyond Bank Australia, to supply 'Beyond Bank' branded mobile payments services. Beyond Bank and Mint Wireless are planning to launch the Beyond Bank mPOS payment service by the first quarter of 2015, with Mint Wireless to receive a revenue share of all fees, including monthly fees and transaction fees processed. The mobile payments firm said it expects the deal will lay the groundwork for a drive to supply its services to other credit unions and Australian financial institutions.

## **QUEENSLAND GOV'T STEPS UP ICT STRATEGY**

The Queensland government has launched its ICT Renewal Action Plan, which IT minister Ian Walker classed as the next step in transforming government information and communication technology "to build a creative, connected and clever workforce." The state is aiming for a cloud-first, ICT-as-a-service approach. Walker said that the first ICT Action plan, launched in August 2013, had been designed to deliver the state's ICT Strategy for the 2013 - 2017 timeframe and that substantial progress had been made, but that the Queensland government had consulted with stakeholders in industry and across government to bring the plan up to date and reflect current challenges and government priorities around the state's ICT-as-a-service agenda and cloud-first approach to ICT.

## **ON THIS DAY 10 YEARS AGO: FROM THE COMMSDAY 2004 ARCHIVES**

Alcatel signalled a desire to lead the emerging market for network management outsourcing, claiming it could set itself apart by re-engineering operators' networks and forging new vendor partnerships to target multi-vendor tenders... Telstra followed up its successful A\$500 million Australian bond raising with the completion of a NZ\$200 million Kauri bond issue, comprising two NZ\$100 million tranches of seven and ten year each... Vodafone New Zealand was claiming 85% market share of new NZ mobile subs for the quarter ending September 30, with the 150,068 net additions to its customer base bringing the total of the firm's New Zealand customers to 1.75 million.