ber of differing characteristics including terrain, climate, demographics and housing types including detached and semi detached houses and apartment blocks.

"There is no substitute for end-to-end qualification in a live environment," he told Senate Estimates. "We need to understand the challenges of different locations."

There are also plans to establish an NBN integration lab where vendors can test their equipment in an end-to-end environment. Likewise, service providers will be able to test proposed NBN connections in the lab. "It will provide an environment to demonstrate future functionalities for the NBN," he added.

Likewise plans are underway to establish network operations and data centres although he did not reveal the proposed locations.

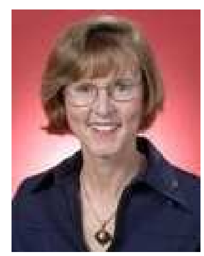
He said the company would call a Request for Tender for network design and then a further Request for Proposals for network construction covering "first releases". Work is expected to start in the early part of the second half, in three stages: passive deployment, active deployment and the provision of access to service providers. "This will provide critical information," he said.

Meanwhile, Quigley says Tasmanian NBN Co is "on track" to connect the towns of Smithton, Midway Point and Scottsdale in July. The firm has now secured an ACMA carrier license and is about to award a contract for the final cable drops into premises. There are also plans to hold community briefings in local government venues.

**Grahame Lynch**

## Do Not Call debate erupts in Senate Estimates

The mounting controversy around legislation which could see the Do Not Call register extended to businesses has spread to the Senate. Opposition senator Mary Jo Fisher grilled communications minister Stephen Conroy on the change in a Senate estimates session – describing it as "a sledgehammer to crack a walnut" with potentially devastating results for small business.



The bill, which would expand the register to block SMEs from receiving unsolicited phone calls, has already sparked heated argument across the industry. The Australian Communications Consumer Action Network has called for the changes to go further, addressing the current three-year renewal period for the register. On the other side of the coin, the Australia Association of National Advertisers has warned that the changes could hit businesses that use telemarketing themselves with a crippling administrative burden – a theme picked up by Fisher in her questioning.

Fisher asked Conroy to provide proof that small businesses had actually requested the register be extended in the first place. "It has been a particular concern of mine that unwanted and unsolicited calls and faxes are wasting valuable business resources and could potentially affect the operation of emergency services," responded the minister. "Businesses that choose to register clearly want protection against telemarketing calls."

"On what basis has the government decided that you won't end up with an empty register that the rest of the business world will then be compelled to search to make sure it's empty?" Fisher enquired. "A 2008 independent survey conducted by [callcentres.net] found that 90% of call centres surveyed experienced no change in gross revenues following the introduction of the original register," answered Conroy. Fisher pressed the minister for statistics more specific to Australia, but he was not to be drawn. "I'm sorry you're opposed to choice for small business," he said.

"[This is a] sledgehammer to crack a walnut!" replied Fisher. "In the process decimating small businesses, potentially, in terms of the red tape with which they'll be encumbered to no avail."

**Petroc Wilton**

## New mobile strategies needed for data surge

Mobile carriers will need new strategies to stay competitive as mobile data usage significantly outgrows revenue growth, according to analyst firm Telsyte. The firm's new report, 'Too Much of a Good Thing: Managing and Monetising Australia's Mobile Data Explosion,' has said that a decoupling of cost and revenue will force operators to find new ways of sustaining profitability – with mobile Quality of Service expected to be seen in local trials throughout this year.

Telsyte research director Warren Chaisatien said that the growth of mobile data over the past two years had caught operators off-guard, even thought they had planned for an increase in data. The research said that there were signs Australian networks were struggling to cope with the data surge, bringing risks of increased customer churn as a result of poor user experiences and bad service. To make matters worse, Telsyte predicts that the cost of providing mobile data services will increase five-fold by 2015 while revenues won't even double in the same period – "creating a growing gap that threatens to undermine the future profitability of carriers' mobile data business."

"Things are poised to get worse," Chaisatien said. "The increasing availability and affordability of prepaid smartphone and mobile broadband offerings, along with new breeds of mobile Internet devices, will add further load to already-strained networks. We foresee mobile quality of service as a key competitive and differentiating factor in the local market as it allows for many more dimensions to mobile data service provisioning, thus enabling differentiated pricing schemes based not only on download allowances as is the case today, but also on other parameters such as speeds and time of day."

Operators may also create new revenue streams through personalised services, upstream monetisation and complementary offloading services, Telsyte said, reducing the risk of becoming 'dumb pipe' suppliers.

**Luke Coleman**

### AUSTRALIA

## Mobile expected to boost Optus result

Optus' strong mobile business is expected to boost its earning as parent SingTel unveils its third quarter results. The financial results announcement comes just weeks after a fresh bout of rumours that SingTel is preparing to sell off a quarter of its Australian subsidiary, with Optus CEO Paul O'Sullivan and SingTel group CEO Chua Sock Koong set to come under question about the rumoured deal in a Q&A session today.

A note from Goldman Sachs JBWere Investment Research said Optus was expected to report a "good result... Optus Mobile has strong operational momentum and we expect this to continue to translate into robust earnings growth. SingTel will also benefit from strong currency tailwinds, with the A$ appreciating c.25% during the quarter."

A spokesperson for Optus said the company did not comment on speculation when reports of a 25% Initial Public Offer last swelled in mid-January. Speculation of the partial sell-off has been ongoing since October last year, with various reports claiming SingTel might use funds raised for expansion plans in Vietnam, China or Africa because it sees Australia as a mature market with fewer growth opportunities. While reports have said such a sell off could raise SingTel over A$4bn, other commentators have questioned whether such a figure is a realistic appraisal of Optus's value.

Meanwhile, Goldman Sachs JBWere have also predicted a "disappointing" half-year result from Telstra due to "soft" sales. Set to be announced Thursday morning, GSJBW expects Telstra's mobile division to announce "strong" results but also expects to see "soft underlying trends" in PSTN and fixed line broadband, as well as a hit on Sensis sales due to the 2009 downturn in the ad market and an impact on offshore earnings due to the strong Australian dollar.

"We expect the disappointing operating result will be offset somewhat by capital management," the analyst report said. "We are expecting a 1.0c increase in Telstra's dividend to 15.0c, the first ordinary dividend increase since FY05."

**Luke Coleman**

## Telstra, AAPT concerned by ACCC proposal to regulate Ethernet

Telstra has said it harbours "serious concerns" with proposed changes to regulation of domestic transmission capacity service (DTCS). In a response to an Australian Competition and Consumer Commission paper which proposed to include Ethernet services in the list of declared DTCS services, Telstra said the move "would give the DTCS service description extremely broad application," which would "potentially regulate a wide range of new services in a diverse range of unrelated product markets."

Telstra first flagged the issue in a pre-Christmas briefing to the ACCC reported in CommsDay on 21 January. But its new submission to the ACCC expands on the concerns.

Telstra said that regulating Ethernet services was unnecessary, inappropriate, "premature and potentially harmful." The company argued that by access seekers can already offer Ethernet services "at low cost" from existing declared DTCS measures, saying that there would be no efficiency gain from extending regulations to cover Ethernet. "There is no undeclared network bottleneck. There is no market failure. There is ample evidence of effective competition," Telstra said.