

# COMMUNICATIONS DAY

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## Space sector review off to rocky start

The federal government's newly announced review of Australia's space industry capability is off to a rocky start with the communications satellite sector feeling snubbed and the South Australian government threatening to go it alone and launch its own space agency. Minister for industry, innovation and science Arthur Sinodinos announced the eight-month review, which will be led by an expert review group chaired by former CSIRO CEO Dr Megan Clark. The review came as a surprise to industry body Communications Alliance, which has a satellite services working group comprises 17 industry players active in the space sector including Telstra, Optus, NBN and global operators Inmarsat, Intelsat and SES.

Communications Alliance CEO John Stanton, who also chairs the SSWG, told CommsDay the expert

review group appeared to be “remarkably light on industry participants.” “The SSWG was surprised not to have been consulted in advance of the announcement of this review, nor to be invited to be part of the expert group. Nonetheless we will do our best to bring genuine industry expertise to bear and contribute positively to the review,” Stanton said.

According to Stanton, a review is worthwhile and overdue. However, he also noted that the Australian government has done relatively little to foster the space sector for many years. In particular, he pointed to the Satellite Utilisation Policy released by the government in 2013, which took a relatively “hands-off” approach to the sector.

“That policy statement decided to create a Space Advisory Council to generate advice and activity. Four years later that body has never held a meeting,” he noted.

Senator Sinodinos said the government wants to ensure the right framework and mix of incentives are in place to assist Australia's growing space industry sector to participate in the global market.

“The review will consult widely and examine Australia's current capability and areas of comparative advantage, as well as our regional and international collaboration within the sector. Importantly, it will also consider how the space industry sector aligns with other sectors and government priorities,” the minister said.

### EXPERT GROUP (area of expertise)

- ... Dr Megan Clark (CSIRO)
- ... Prof Russell Boyce (Space Engineering)
- ... Michael Davis (Space Industry Association)
- ... Dr David Williams (CSIRO)
- ... Dr Stuart Minchin (Geography)
- ... Prof Steven Freeland (Space Law)
- ... Prof Anna Moore (Advanced instrumentation)
- ... Dr Jason Held (Astronautics)
- ... Flavia Tata Nardini (Rocket Science)

According to the terms of reference for the review, it will build on the existing Satellite Utilisation Policy and the findings from the recently completed review of the Space Activities Act.

The terms of reference state that the review will specifically address the following:

- IDENTIFYING AUSTRALIA'S CURRENT INDUSTRY CAPABILITY** and areas of comparative advantage for Australia to develop,
- TECHNOLOGIES AND PRACTICES THAT PROMOTE INNOVATION** in both the downstream (users of space technologies) and upstream (providers of space technologies) elements of space activities, particularly in areas of niche capability and competitive advantage,
- AUSTRALIA'S LEVEL OF REGIONAL ENGAGEMENT** and international collaboration, including identifying critical future and existing partnerships,
- IDENTIFYING CAPABILITY GAPS** to support the global competitiveness of Australian firms in the civil space sector,
- STRATEGIES TO PROMOTE AUSTRALIAN FIRMS** engaged in the civil space sector, both domestically and internationally,
- RISKS AND OPPORTUNITIES**, including ongoing access to space data and associated infrastructure essential to our national interests,
- ALIGNMENT WITH OTHER SECTORS** and Australian Government priorities, including Defence and cyber security, and meeting Australia's international obligations,
- THE MOST EFFECTIVE INSTITUTIONAL ARRANGEMENTS** to support the strategic direction of Australia's space industry

Despite the detailed terms of reference the review does not specifically address the need for a national space agency, which has been called for by the Space Industry Association of Australia and a number of other experts including Australian Centre for Space Engineering Research director Andrew Dempster.

Dempster told CommsDay that while the review announcement was “relatively positive,” it avoided the question of a national space agency. “I would have preferred the announcement of an agency but as long as there's commitment to deal with some of

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the issues, it's progress. Given that the minister is talking about it, we're better off than we have been, historically," he said.

More critical was South Australian minister for defence industries Martin Hamilton-Smith, who has previously threatened to set up a space agency in conjunction with other state governments. As previously reported in CommsDay, Hamilton-Smith has proposed Adelaide as the operational base for a national space agency and has stated that he will move ahead with the idea if the federal government does not act soon.

Following the announcement of the review, Hamilton-Smith said the government was taking too long to act and told local media InDaily that he would soon propose a new body to the South Australian cabinet.

"Today's announcement that a review would be commissioned to report in March next year suggests nothing will happen until after the 2018 Budget in late 2018," he said. "I just think it's far too little, too late. We need something far more direct, more proactive and far more engaging before September."

September is the date for the International Astronautical Congress, a major space industry event that will be held in Adelaide. The minister has previously called for plans for the space agency to be presented at the IAC event.

The federal government's space review will commence from July 2017 with a first meeting of the expert group, and is expected to be completed by end March 2018.

Geoff Long

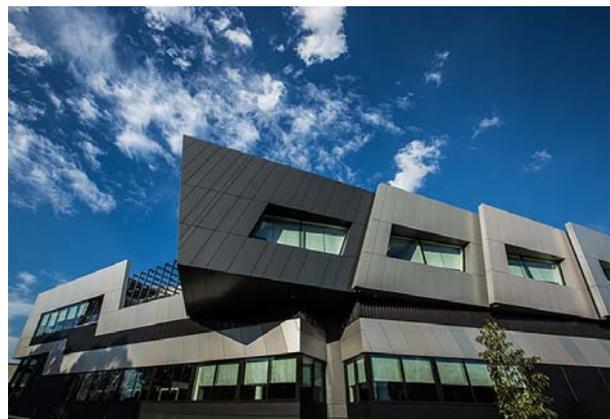
## **Equinix to invest \$55M to double capacity of SY4 Sydney datacentre**

Equinix will invest around \$55 million (US\$42 million) as part of phase two expansion plans for its SY4 Sydney datacentre in Alexandria. The expansion will double its current capacity of 1,500 cabinets to a total capacity of 3,000 cabinets and is intended to grow its interconnection services.

The expansion is scheduled for completion by the end of 2017 and is the latest in a series of expansions across Asia-Pacific, with other recent expansions in Melbourne, Tokyo, Hong Kong and Singapore.

Equinix Australia MD Jeremy Deutsch said an interconnection-first strategy was now central to realising digital transformation, with Australia fast becoming an interconnection hot spot.

"Equinix has the capability to provide organisations with direct, private access to the leading cloud providers, as well as many specific cloud services, offering organisations the perfect environment to embrace hybrid cloud architecture," Deutsch said. "Our investment in SY4 demonstrates our ongoing



commitment to providing the most robust architecture and interconnection options that allow customers to accelerate business relationships and speed to market.”

According to a recent Equinix survey some 86% of enterprises use the cloud and, with key cloud players like Amazon, Google and Microsoft, Australia is already the largest infrastructure-as-a-service market in the Asia-Pacific region.

Telsyte MD Foad Fadaghi said that with more enterprises and managed service providers moving to the cloud, including for security and data protection, additional data centre capacity in Australia is growing in demand. “There is also an increased desire among CIOs to leverage a highly interconnected IT architecture, and providers that have location and interconnectivity advantages are best suited to deliver value to clients,” he said.

Equinix reported that across its datacentres in Sydney and Melbourne there are now over 725 companies, including over 155 network service providers and more than 275 cloud providers. SY4 will also soon host the Hawaiki submarine cable, which will terminate at the centre when it is launched next year.

Hawaiki CEO Remi Galasso said the current expansion plans for SY4 would help the firm’s growth strategy. “From inside Equinix, we have a significant opportunity to grow, leveraging the dense connectivity opportunities to other networks, content providers and IP,” Galasso said.

Geoff Long

## **Netcomm Wireless confirms AT&T as customer**

Netcomm Wireless has lifted the veil on a major US fixed wireless contract to reveal that its customer is AT&T. Communications Day speculated that AT&T was its customer on 23 March this year.

The identity of the customer has been undisclosed since Netcomm first announced late in 2015 that it had signed a master purchase agreement with one of the US’s two largest carriers to supply fixed wireless equipment for a rural broadband project. At the time, Netcomm said that certain conditions needed to be satisfied before the project could proceed and that it was bound by a confidentiality agreement that prevented it from naming the carrier and details of the contract.

In addition to revealing its customer, Netcomm has now announced that it will be supplying outdoor wireless antennas for fixed wireless broadband networks that AT&T will deploy in parts of 18 US states, underserved for internet access, under the AT&T brand. The two companies have already deployed the first wave of the service in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North and South Carolina and Tennessee.

The networks are being built from proceeds of the Connect America Fund, which aims to lift broadband download speeds up to a minimum standard 10Mbps for millions of US homes and premises in rural areas where private investment would otherwise be commercially unviable. In 2015 AT&T was awarded \$US3 billion over six years to serve 1.1 million homes and premises (an estimated population of 2.2million con-

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**KEYNOTE: Federal  
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**KEYNOTE: Australian Competition  
and Consumer Commission  
chairman Rod Sims**



**KEYNOTE: Australian Comms &  
Media Authority acting chair and  
CEO Richard Bean**



**CARRIER VOICES: Telstra  
executive director, regulatory  
affairs Jane van Beelen**



**THE POST BB ERA:  
Imediate Consulting principal  
Robert James**



**MARKET ANALYSIS: New Street  
Research Asia Pacific analyst Ian  
Martin talks about the financials**



**TECHNICAL INSIGHTS:  
Optus managing director,  
networks Dennis Wong**



**TECHNICAL INSIGHTS: Vodafone  
GM Technology Strategy  
Easwaren Siva**



**PERSPECTIVE: Australian  
Mobile Telecommunications  
Association CEO Chris Althaus**



**PREDICTIONS & FORECASTS:  
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# UNWIReD ReVOLUTION

## SESSION 1: 9am-11am

Session chaired by CommsDay senior editor Geoff Long

### WHERE AUSTRALIA'S MOBILE INDUSTRY IS AT

9.00am Australian Mobile Telecommunications Association CEO Chris Althaus

### THE FEDERAL GOVERNMENT'S VISION FOR MOBILE AND SPECTRUM

9.25am Federal Communications Minister Mitch Fifield (confirmed)

### 9.50am PANEL: THE STATE OF THE MOBILE NATION

- \* Essential metrics on Australia's mobile networks and users
- \* Different usage/purchasing patterns among different demographic groups
- \* Key drivers in price and capabilities
- \* What are the key trends in OTT apps and services
- \* Where should mobile operators and MVNOs go from here to improve ARPUs, customer experiences and perceptions
- \* What might a 4th operator do to industry dynamics?

### Panelists:

AMTA CEO Chris Althaus, Telsyte CEO Foad Fadaghi, New Street Research senior analyst Ian Martin

10.40-11am MORNING TEA sponsored by Ericsson

## SESSION 2: 11am-1.30pm

Session chaired by CommsDay group editorial director Petroc Wilton

### KEYNOTE: VIEW FROM THE COMPETITION REGULATOR

11.00am Australian Competition and Consumer chair Rod Sims

### KEYNOTE: VIEW FROM THE TECHNICAL REGULATOR

11.25am Australian Communications and Media Authority acting chair Richard Bean

### 11.50am-12.40pm PANEL: GETTING POLICY & REGULATION RIGHT IN WIRELESS

- \* Did the ACCC's draft roaming decision get it right or wrong?
- \* Is the ACMA's proposed spectrum roadmap and reforms a step in the right direction?
- \* Is the country's matrix of universal service initiatives such as the USO, Mobile Blackspots Program, NBN cross subsidies and the superfast tax etc achieving the optimal goal for achieving end public policy goals?
- \* What should the government do to encourage 5G, if anything?
- \* Is the superfast BB regulation exemption for fixed wireless sustainable? If wireless becomes a genuine fixed line substitute how should regulators react?

Panelists: Optus acting VP corporate and public affairs Andrew Sheridan, Telstra executive director, regulatory affairs Jane van Beelen, Vodafone Australia group strategy officer Dan Lloyd, BigAir CEO Jason Ashton

12.40-1.30PM LUNCH

## SESSION 3: 1.30-3.10PM

Session chaired by CommsDay journalist Andrew Colley

### 1.30-2.10 THE VIEW FROM THE TECHNOLOGY VENDORS

Interviews with Nokia Australia MD Dr Ray Owen, Ericsson Australia head of networks, 5G & IOT David Cooper

### 2.10-2.50 PANEL: THE VIEW FROM THE MOBILE OPERATORS

- \* What are the key USPs for the major networks today?
- \* What major innovations in networks and devices can we look forward to in the coming year?
- \* What is the value proposition for MVNOs from both their and the network operator's point
- \* How can telcos leverage the IoT opportunity?
- \* How will a fourth operator affect the market? Are they even a credible threat?
- \* 5G: myth, opportunity or threat?

Vodafone General Manager Technology Strategy Easwaren Siva, Optus MD Networks Dennis Wong

2.50-3.10 AFTERNOON TEA sponsored by Ericsson

## SESSION 4: 3.10-4.40PM

Session chaired by CommsDay senior editor Geoff Long

### 3.10 PANEL: WIRELESS IS ABOUT MORE THAN MOBILE: THE SPECTRUM DEBATE

- \* How strategic is the wireless ISP industry to the Australian market? What is its potential?
- \* Is spectrum policy captured by mobile operators? What are the interests of other users?
- \* What are the best uses for 3.6, 28 and 40+ GHz bands? Should NBN give up its fixed wireless holdings?

Wireless Internet Service Providers Association secretary Lynda Summers, Vertel MD Andrew Findlay

### 3.40 THE POST-BROADBAND ERA

How the distinctions between wireless, mobile and fixed will disappear: iMediate Consulting principal Bob James

### 4.10 THE NEXT TWO YEARS IN OTT, WEARABLES AND IOT: FutureSumo principal Skeeve Stevens

4.40 Cocktails sponsored by Nokia on the club balcony overlooking Lavender Bay

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sumers) by 2020 and it needs to serve 40% of them by the end of this calendar year.

NetComm COO Timo Brouwer said the network had been designed to meet the Connect America policy specifications, which bore similarities to the NBN's mission in Australia.

"It's not a case that you might get 10Mbps if it's the middle of the day and there is nobody else on the network it's a guaranteed 10Mbps throughput. It's a closed network design with a designed link budget. Obviously that's one of those really contentious we face here in Australia with the NBN," Brouwer said.

AT&T does not advertise basic monthly pricing for the fixed wireless service and pricing may depend on whether customers choose to bundle it with other services such as AT&T DIRECTV. However, each connection is supplied with a standard monthly data allowance of 160GB with the ability to purchase additional tiers of 50GBs for \$US10 per month.

NetComm is Ericsson's equipment supplier for its \$1.1bn contract to deliver fixed wireless broadband for the NBN. Brouwer said the equipment it was supplying to AT&T in the US was similar to that which the company is providing for the NBN deployment but with a slightly different architecture to integrate with AT&T's network infrastructure.

Andrew Colley

## **ACCAN raises questions around BCAR research**

The Australian Communications Consumer Action Network has cautiously questioned the conclusions of a recent federal government report which found that broadband and telephony services are becoming more affordable.

ACCAN welcomed the research but said was worried by one of its findings that 10% of households are devoting up to 10% of income to telco services. "This is a lot of money for a household to be expending on one service. ACCAN is concerned that these consumers may be excluded or forgoing other services to keep connectivity," an ACCAN spokesman told CommsDay.

The report - produced by the Department of Communications and the Arts' research arm, the Bureau of Communications and the Arts Research - found that overall telecommunications services were becoming more affordable and was broadly upbeat about the prospects of the NBN supporting the creation of products suited to consumers in lower socio-economic tiers.

However, ACCAN questioned the report's overall conclusion that communication services were becoming more affordable - noting parts of the report that indicated this was due to rising average incomes rather than falling average prices for telecommunications.

The report found that since 1997 growth in household spending on telecommunications services had been tracking higher than general household consumption. At the same time, average household income has risen at a faster rate than spending on telecommunications services.

“We note that the average household expenditure of \$2,000 a year of ongoing charges has not changed much in the last ten years. This is interesting considering the expected increases in the cost of home broadband services over the next five years and consumer ability, and desire, to pay higher amounts for services,” ACCAN said.

The report also said that the NBN was playing a role in improving affordability for consumers – albeit mainly those in consumer areas where more expensive Telstra off-net ADSL dominated prior to the arrival of NBN fixed line products.

Generally, it said NBN fixed line pricing was tracking closely to that of current on-net ADSL services, with the former slightly more affordable at lower speed tiers (12Mbps/1Mbps). That’s led to questions whether the NBN has genuinely improved broadband competition and affordability.

Andrew Colley

## **Gartner forecasts \$83bn total Australian tech spend for 2017, comms at \$26bn**

Gartner’s latest quarterly worldwide IT spending forecast has tipped total Australian technology outlay to hit A\$83.15 billion in 2017, beating global average growth with a 3.7% increase on 2016 – and with communications services spend accounting for almost a third of the total.

Gartner tracked Australian IT spending at \$80.18 billion for 2016, with comms services spending accounting for \$26.33 billion of that – second only to IT services spend at \$29.27 billion. While its 2017 comms services spend forecast of \$26.81 billion would make up 32.24% of the total projected outlay, though, that would actually give the sector a slightly lower share of total spend than the 32.83% in 2016.

For 2018, Gartner forecast communications services spend of \$27.12 billion, out of a total IT spend of \$85.4 billion.

In New Zealand, Gartner found comms services had accounted for NZ\$4.36 billion of a total NZ\$11.48 billion IT spend in 2016; it forecast NZ\$4.38 billion and NZ\$11.80 billion respectively in 2017, and NZ\$3.92 billion and NZ\$12.07 billion in 2018.

The research firm released the local numbers along with global data, which forecast a 2.4% global uptick in IT spending to hit US\$3,477 billion for 2017.

Petroc Wilton

## **NSW gov’t to pour \$35m into new startup hub**

New South Wales premier Gladys Berejiklian has announced \$35 million in state government funding for a new startup hub in Wynyard, Sydney. The cash will come via the private sector-led, government-backed Jobs for NSW initiative, headed by ex-Telstra CEO David Thodey.

Billed as the first of its kind in the southern hemisphere, the hub will span over 17,000m<sup>2</sup> across eleven floors. The idea is to help entrepreneurs to develop new business ideas that will create job opportunities across both rural and metro NSW.

“This is an unprecedented investment from the NSW Government, which will support businesses and drive jobs growth across the State,” said Berejiklian. “When Sydney Startup Hub opens it will be in a central location to help both local and international entrepreneurs flourish.”

“More than 40% of the nation’s start-ups are in NSW already and with the addition of this hub and the White Bay precinct we want to see that figure grow.”

Anchor tenants include Stone & Chalk and Fishburners.

Petroc Wilton

## Equinix reigns supreme in CloudScene Q2 leaderboard

Equinix has emerged as the most influential datacentre operator across four major regions – North America, Asia, Oceania, and Europe plus the Middle East and Africa – according to the latest leaderboard rankings for the second quarter from Cloudscene, the directory of colocation datacentres, cloud service providers and network fabrics.

The data, drawn from a pool of more than 5,300 service providers listed on Cloudscene, ranked Equinix in the leadership position in each of the four regions. The ranking system is based on the players’ market density, namely the number of facilities, and the connectivity support, i.e. the number of point of presence sites.

“We’ve taken independent industry data from the world’s largest database of colocation facilities and service providers, to provide a ranking of the datacentre operators with the most influence in their region,” said Cloudscene founder Bevan Slattery. “Whilst we expect the movement to be minimal in the top half of the leaderboard each quarter, what will be interesting to follow is the change in the second half rankings where you can see competition is rife. The scores are extremely tight and you can really get a feel for how fierce the market must be between the medium-sized players.”

Behind Equinix, the second position players in each region, Digital Realty (US), Interxion (EMEA), NextDC (Oceania) and SUNeVision (Asia) continued to grow and solidified their positions during the second quarter, according to Cloudscene.

That said, competition is evident within the top 10 rankings, with new players Cyxtera (formerly CenturyLink), Netrality Properties, itconic, ST Telemedia, Macquarie Telecom and YourDC joining the top 10 list.

Geographically, the distribution of connectivity supported by the ranked players was concentrated in North America and EMEA. Of the total 17,000+ points of presence managed by the ranked datacentre operators, 43.1% were in North America, 39.63% in EMEA, 9.15% in Oceania and 8.11% in Asia.

Tony Chan

### OCEANIA’S TOP DC OPERATORS

Equinix  
NextDC  
Global Switch  
Vocus Communications  
AAPT  
PIPE Networks  
iseek  
Datacom  
Macquarie Telecom Group  
YourDC

## TELSTRA CEO MEETS WITH QUEENSLAND GOV'T IN FAR NORTH

Queensland premier Annastacia Palaszczuk has met with Telstra CEO Andy Penn in the Far North of the state as part of its week-long programme of remote governing. The premier said the meeting, attended by Minister for Innovation Leanne Enoch, was an ideal opportunity to speak directly to the telco and thank it for its hard work provided during the Cyclone Debbie response and recovery effort. Premier Palaszczuk also took the opportunity to discuss Telstra's Mobile Black Spot Program and also the roll out of optic fibre cables in remote and regional Queensland. These areas include Doomadgee to Burketown, Aurukun and the Barcoo-Diamantina fibre optic projects. "I know how important good quality communication services are to people in regional Queensland and I will continue to work with Telstra to ensure that wherever people live, they have access to reliable internet and phone services," Palaszczuk said.

## INTERNATIONAL

### **65% of US broadband households have SVOD, half stream to TVs**

There is no end in sight to the growth of video traffic on broadband networks as users seek out multiple content subscriptions and stream content to bigger screens such as television sets, according to new research data from Parks Associates.

According to the researchers' latest study, 65% of US broadband households now subscribe to at least one subscription video on demand service. And while the market is dominated by just three brands - Netflix, Amazon and Hulu - more and more users are seeking out second subscriptions.

So far, one in three US broadband households subscribe to multiple over-the-top services and competition is set to intensify, with the emerging success of services targeting niche segments. Two examples of these types of services are Crunchyroll and WWE, both niche services that have attracted more than 1 million subscribers on a global basis.

"US consumers are not taking solely a Netflix, Amazon, or Hulu subscription. Many are shopping around and trialling new services to get access to interesting content unavailable through the big services," said Parks Associates senior research director Brett Sappington. "Interest and viewership in OTT video services have led to an increase in total subscriptions since 2015, including an increase in households subscribing to two, three, or even four or more services. All this translates into more money being spent by consumers and more opportunity for niche content services to capture revenues."

In addition to multiple subscriptions, users are also using bigger screens to play back content. According to a separate Parks Associate research report, over 50% of US broadband households now watch internet video on television screens.

Tony Chan

## **New demos highlight 5G core network techs**

5G core network vendors are showing off new capabilities and features, with at least one vendor claiming it is already capable of delivering 5G ready core networks.

Affirmed Networks said it could now deliver network slicing through a solution called 'virtual slice selection function' to enable "5G ready" networks.

According to the company, the vSSF solution now enables "fine-grained network slicing across legacy, virtualised and multi-vendor network environments." The solution will work over 2G, 3G, 4G and future 5G networks.

The solution allows network resources to be allocated by device type, service type, customer ID, location, time-of-day and other attributes. In technical jargon, the solution supports network slicing based on IMSI, IMEI, source node, APN, RAT, GW loading, time of day, external policy, device location and other parameters.

"The Affirmed vSSF allows network resources to be allocated by any conceivable attribute, giving operators unprecedented flexibility and control in assigning network resources to meet the needs of a specific service," Affirmed Networks said. "Mobile operators can now deliver differentiated services with maximized profitability and exceptional quality of experience." The vSSF solution is available now.

Meanwhile Cavium, another core network solutions developer, said its gear was now being tested by China Unicom as part of 5G core network trials. Cavium's silicon-based white box hardware is being tested by China Unicom's as part of the open source M-CORD project.

Cavium's hardware was deployed in M-CORD racks with ThunderX ARM-based datacentre COTS servers and XPliant programmable software defined networking Ethernet switch-based white box switches to support network functions virtualisation. In a recent trial, the companies were able to demonstrate a multi-access edge computing use case.

"We are very excited to collaborate with China Unicom to explore 5G target use cases leveraging the M-CORD SDN/NFV platform and to work towards field deployment. A homogenous hardware architecture fully optimized for NFV and 5G functions is a key pre-requisite for field deployments," said Cavium CEO Raj Singh. "This differentiated and highly scalable implementation of M-CORD platform using Cavium silicon based white box hardware will allow operators such as China Unicom to rapidly implement next generation network topologies."

Tony Chan

## **China Mobile, ZTE to work on energy efficient 5G nets**

China and ZTE have signed a joint declaration to work on enhancing energy efficiency in 5G networks. Topics of research include energy-saving technologies for 5G-oriented

3D-multiple input, multiple output kit and small cells.

According to the companies, 5G network architectures will require ultra dense networks involving small cells to support “rapid increase in services,” which accelerates “the increase in site sizes and rapid growth in energy consumption.”

To offset the expected growth in energy consumption, China Mobile is now working with industry partners to research a new-generation low-power base station architecture, more efficient devices and more effective energy-saving solutions.

For its part, ZTE said it was introducing its ‘access cloud engine’ solution, which brings unified hardware resource pools to the wireless access network. By enabling the sharing of infrastructure, the ACE solution supports dynamic service driven resource allocations to drive energy efficiency, ZTE added.

Further, ZTE said it was working towards an “energy-saving control strategy based on service changes.” This strategy will enable additional energy savings through features like “flexible shutdown and intelligent wakeup” of base station systems based on service changes, ‘discontinuous transmission detection’ for service guarantees and small cell energy saving for interference control.

ZTE claims to have also made advancements at the chip level, particularly in relation to massive MIMO base stations. “The massive MIMO technology poses higher requirements for hardware integration, and the highly integrated multi-channel chip is designed to deliver high energy efficiency of AAUs. ZTE solved the difficulties in massive MIMO base stations by using self-developed vector processing chips.”

China Mobile and ZTE will work on energy efficiency for 5G networks across a number of joint initiatives, including a 5G joint innovation lab, as well as 5G field tests of 5G NR and core networks.

Tony Chan

## **AXIATA GROUP TO BRING IFLIX TO SIX CARRIERS IN ASIA PACIFIC**

Regional carrier Axiata Group has signed a memorandum of understanding with streaming video provider iFlix to bring the latter's subscription video on demand service to a further six countries in Asia Pacific. In addition, iflix and Axiata intend to jointly produce content specially created for Axiata’s customers in the markets covered by the collaboration. From two existing successful partnerships with Celcom in Malaysia and Dialog in Sri Lanka, the regional collaboration is intended to extend to Axiata’s customers at XL in Indonesia, Smart in Cambodia, Robi in Bangladesh and Ncell in Nepal. In total the service will be able to reach over 125 million customers in the six markets.

## **CITIC PARTNERS WITH DARKTRACE FOR AI CYBER DEFENSE**

CITIC Telecom has tapped Darktrace to boost its cyber security portfolio. As part of a new agreement, CITIC will become a managed security services provider of Darktrace’s cyber defense technology in the Asia Pacific regions. According to CITIC, Darktrace’s

technology uses “advanced machine learning” to mimic “the self-learning intelligence of the human immune system” in order to catch and mitigate threats.

## **ORANGE LAUNCHES €100M CONTENT DIVISION**

Orange has announced the launch of a €100 million effort to consolidate its content business into a single unit that will take charge of both content creation and distribution. The new Orange Content unit will combine Orange’s current media and content businesses, including Orange studio, orange cineday, video-on-demand and OCS – a cinema focused platform. The new unit will launch officially in September and manage the lifecycle of content, from rights acquisition to programming and distribution.

## **THE WEEK AHEAD**

**UNWIRED REVOLUTION**, a one day event from CommsDay, takes place at Kirribilli Club, Sydney on Thursday 20 July. Speakers include communications minister Mitch Fifield, ACMA chair Richard Bean and ACCC chair Rod Sims. More details on page two and three of this issue.

**THE JOINT STANDING COMMITTEE ON THE NBN** will be conducting public hearings at Quest East Perth on 17 July.

**ERICSSON WILL RELEASE** a financial report and host a webcast for its global results for the second quarter of 2017 on July 18

**COMMUNICATIONS ALLIANCE SAID** the 11th Annual ACOMMS Dinner will be held on 19th July 2017 Hyatt Regency, Sydney. Comedian Kitty Flanagan will be the MC for the evening. Registrations for this year’s event can be made at: <http://www.acomms.com.au/register.php>

## **COMMENT BY KEVIN MORGAN**

### **A return to interesting times**

Hawke era communications minister Michael Duffy was fond of invoking the Chinese curse ‘may you live in interesting times’. For his part Duffy made his own time as minister interesting by placing a moratorium on Pay TV and proceeding with Aussat, the economically doomed domestic satellite system.

Amongst his successors, some evaded the curse of interesting times. David Beddall – ‘David who?’ you might ask – and Graham Richardson had tenures as ministers, albeit brief ones, that were remarkable because absolutely nothing happened. Others weren’t so lucky, most notably Helen Coonan who was cursed by the fact that Telstra’s Sol Tru-

jillo and the ACCC's Graeme Samuel were unable to exchange a civil or constructive word – and that ongoing curse lead Stephen Conroy into his NBN folly.

Gareth Evans was similarly cursed by others, in his case the then-powerful technicians union which stymied his plans for timed local calls and reduced his ambitions for network liberalisation in 1988 to mere deregulation of CPE.

Others had interesting times but were far from cursed. Michael Lee outlined full market liberalisation and Richard Alston happily enacted it, while also setting in train the sale of Telstra. Kim Beazley, who engineered the market entry of Optus and the creation of Telstra, although not immediately damned for his policies has been much cursed in recent years for the seemingly unpardonable sin of not structurally separating Telstra from day one.

And where does the current minister sit on this spectrum? If the first twelve months or so were any guide, it seemed Mitch Fifield was set to join the ranks of comms ministers who were not cursed with 'interesting times'. Although as manager of government business in the Senate Fifield was never set for the depths of anonymity achieved by Beddall, his initial year as minister was quiet indeed. George Brandis stole his thunder with his industry security legislation and the Department of Communications and the Arts, which was proceeding at glacial pace on much-needed spectrum reform, gave him nothing substantial to take into Parliament.

But now all that has changed – and, for the minister and the sector at large, times have become perhaps a little too interesting. Vodafone is intent on further rocking the boat on domestic roaming, despite having almost no support or plausible arguments to fall back on. The Productivity Commission has lit a bonfire under the A\$2 billion USO deal with Telstra. Nor has the ACCC been content to sit back as it opens up a dialogue on much-needed reform of regulation.

More disturbingly, the NBN once again threatens to become a major political issue. Although the rollout has accelerated, RSPs have balked at actually using the network's capabilities because of CVC charges and they are faced with rising consumer discontent because of the inability to readily coordinate service delivery with NBN. Also the fiction that the NBN is a commercial entity that should be off budget is being increasingly questioned, even by its staunchest supporters such as Macquarie Telecom. Meanwhile Vocus, one of the four pillars of competition in the NBN era, looks set to implode with private equity circling with the intent of dismembering it rather than bolstering it as an integrated competitive force.

Against a rising tide of policy challenges, the pluses are few for the minister – perhaps other than that the Department has finally given him legislation on spectrum reform. Other issues the Department laboured long and hard on haven't been met with such acclaim. Network operators and, most notably, the usually reserved Opticomm have called the \$7 a month NBN rural subsidy into question, warning – rightly – that it could kill private sector competition. If Fifield persists with the levy he could be remembered, if for nothing else, as the minister who completed the renationalisation of the sector – hardly a welcome legacy for a Liberal minister.

Unfortunately the minister has little freedom to address the NBN subsidy issue or the punitive CVC charges, other than to enact the massive writedown of NBN that many are now calling for. But a writedown, even if it could be sold to taxpayers, would have to wait for the rollout to be complete – and that’s another federal election away. Consequently Fifield will just have to live with the NBN bleeding money and cop the flack for bandaid measures like the \$7 levy which are supposed to stem the financial haemorrhaging.

Similarly, the minister has no real freedom to end the irrationality and unfairness of the current USO arrangements. They are just too thoroughly embedded in the overall \$90 billion dollar Telstra deal that underpins the NBN.

Unfortunately, with most of the policy distortions facing Fifield locked in because of the NBN – the root cause of most of the sector’s problems – it seems he can do little but use his considerable political skills to keep a lid on the mounting industry and consumer discontent. If he can keep stop his interesting times from boiling over before the next election, it will be a remarkable achievement. We can only wait and see.

## **ON THIS DAY 10 YEARS AGO IN 2007**

Two Newcastle car dealers found themselves at the centre of a potential e-marketing firestorm, after the Australian Competition and Consumer Commission announced plans to take on Google over the use of company names in search advertising... while Optus had played down HSDPA as a viable access solution for regional Australia, executives said that 3G remained very much part of its broadband mix and that work was underway to make the product more palatable to consumers... Optus revealed its latest plan to bring more customers on-network, launching what it claimed as the industry’s first capped and combined telephony and broadband product.

### **About Communications Day (including the Line of NZ)**

Communications Day is the telecommunications news authority of Australia and New Zealand. Published daily since July 1994, CommsDay is expertly written and edited by a team of industry writers with a combined 80 years experience in technology reporting across Australia, NZ, Asia, the United States and Europe. CommsDay is available by subscription only and read by 10,000 industry executives as well as policymakers and parliamentarians every week day.

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