

Freeman brothers cut Cable as board shifts gears

The founders of **Neighborhood Cable**, one of Australia's pioneering pay-TV infrastructure providers, have left the executive team in a sudden move. The Freeman brothers - Craig, John and Garth - founded Neighborhood Cable eight years ago, with a vision to provide content and connectivity to thousands of regional Australians. Their departure has yet to be announced to the ASX.

Craig Freeman, the company's general manager, resigned in February last year to pursue other opportunities in the UK, while executive deputy chairman and former CEO John and chief technical officer Garth remained at the helm until yesterday's shock announcement to staff that they would both be leaving.

In separate confidential internal memos to staff, the brothers revealed that they would remain directors but were handing over all day-to-day operational activities to chief operating officer Fred Grossman. Grossman was appointed to his position in early 2002, taking on much of Craig's original charter. Sources within the company maintain that Grossman, a former **Telstra** executive, will shortly be named CEO designate.

In his letter to staff, which was written to prevent the creation of misinformation, Garth confirmed that late last week he was officially *"no longer in the executive employment of Neighborhood Cable"*. He added that he would, apart from a directorial role, maintain a relationship by acting as a consultant to the company.

The brothers' operational responsibilities lessened as the shareholding structure of the company began to reshape last year, with immense pressure from shareholders to make the company's regional visions become a commercial and profitable reality. **The Telecom Venture Group**, a principal backer of the carrier, got the go ahead at November's board meeting to increase its stake from 63.13% to 76.5% and invest a further \$10 million in funding.

Sources close to the company suggest that the board had been disappointed by the perceived lack of performance of the carrier leading to December's announcement that CEO John would be redeployed to a stronger relationship-building role with governments and rural communities, as deputy chair. As a result, COO Grossman was given all business operation responsibilities, in a move described by the board as *"marking a major development for the company"*.

Neighborhood Cable's assets include a Mildura network reaching 20,000 people, a Ballarat network launched in 2002 (which reaches over 70,000 people) and a Geelong network which is nearing completion and which will initially reach a further 120,000 people, growing to 200,000 by the end of 2003.

Natalie Apostolou

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Anti-spam startup set for online advertising blitz

OzEmail co-founder Sean Howard's new anti-spam startup is set to launch commercially in the next few weeks, with an initial campaign aimed at luring consumers to the service via heavy advertising on Australia's most popular Web sites.

The new offering, known as SpamTrap (*spamtrap.net.au*), is claiming capture rates of around 84% in its trials so far. The service captures spam for users with POP3 e-mail accounts and uses a proprietary algorithm and a configuration that enables spam to be detected as late as possible. That's because detecting spam after e-mail has arrived at the ISP mailserver allows a greater level of capture than trying to filter mail coming into the ISP. Customers don't have to download the trapped mail as it has been removed from their incoming mail.

Working under the company name **messagecare**, the startup is pinning its hopes on a publicity and Web campaign that will entice medium-to-large ISPs to promote the service. Messagecare chief executive Andrew Kent said he is in discussions with several large ISPs about selling the service to their users as a bundled offering.

"We wait until the spam hits the ISP's mailbox and there is no download or reconfiguration required so consumers can set up the service and then forget about it," Kent told *Communications Day*. He said the service

will be marketed through direct retail channels and then wholesalers and resellers, while they are also in talks with international carriers.

Kent joined OzEmail in 1992 and served as its head of technology services until he quit about three years ago. He said the initial idea for SpamTrap surfaced in June 2001 after he had held informal chats with Howard about the proliferation of spam. He added that the shareholding in messagecare is split equally between Howard, Malcolm Turnbull, Trevor Kennedy and himself. The shareholders have invested a "seven figure" sum in the startup, he said.

The company appears convinced that unless spam is effectively dealt with by such services, the market for new unified messaging interfaces will be crippled by junk mail. The anti-spam service will be sold to consumers for an annual fee of \$33. Kent said he hoped that positive word-of-mouth achieved on the initial launch would result in the major ISPs signing up to sell the service.

Duncan Craig

Optus launches WiFi broadband access services

Optus Mobile yesterday announced the launch of commercial WiFi broadband access services, based on the international 802.11b standard for wireless local area networks. Announcing the launch, Optus Mobile managing director Allen Lew said the carrier is targeting business customers with its next wave of mobile data services.

"Mobile professionals, such as senior executives and salespeople, are high users of mobiles, already carry laptops and would benefit from getting information faster and more securely. Our corporate customers tell us they want high-speed downloads when they have time on their hands, for example between appointments in city centres, in hotel rooms or in airport waiting areas."

Lew said Optus planned to roll out 500 hotspots nationally in the next 12-18 months, which will include servicing **Gloria Jeans** coffee shops and Brisbane Airport. *"Our initial hotspot rollout will focus on lifestyle areas in key CBD locations as well as airports, hotels and major business centres,"* he said. Each hotspot will feature an "Optus Wireless Connect" sign at the front door. *"WiFi fits a niche between existing fixed and mobile products, and will form a natural part of the product suite Optus offers to corporate customers,"* Lew added.

The Optus Wireless Connect program consists of four payment programs - Casual, Regular, Silver and Gold. They carry a monthly access fee ranging in price from zero for Casual users up to \$49.50 for Gold users. Free monthly usage ranges from 1 hour for Casual users to 5 hours for Gold members, whilst excess usage rates range from \$9.90 per hour for Gold customers to \$12.10 per hour for Casual users.

Meanwhile, Optus also announced a deal with WiFi provider **Air Portal** yesterday to target the hospitality sector with WiFi locations. Under the terms of the deal, Optus will provide network, billing and customer care infrastructure for all Air Portal's venues. Optus wireless connect customers will be able to access the Internet at all Air Portal locations in return.

Staff writers

ATUG conference kicks off in Sydney tomorrow

The new-look **Australian Telecommunications User Group** conference kicks off in Sydney tomorrow, with a focus on broadband, wireless, mobiles and IP Networks.

About 150 executives have signed up to attend the event, while 350 are booked to attend the sold-out gala dinner and industry awards at the Sydney Town Hall on Thursday night. This year ATUG has opted for a more intimate venue, the Inter-Continental Hotel, in order to facilitate networking. The event will include 12 showcase stalls from companies such as **Marconi, D-Link, Cisco Systems, Critical Path, Emelle, Integrity Data Systems, Proxim, Phone Vision, Sony, Telos Technologies** and **WorldCom**.

Speakers on the first day include **Optus** chief executive Chris Anderson, Communications Minister Senator Richard Alston, **Alcatel Australia/New Zealand** chief executive Ross Fowler and **Telstra** group managing director of business and government David Thodey. On Thursday, **Australian Competition and Consumer Commission** chairman Allan Fels will speak about the competitive environment, while **Australian Communications Authority** chairman Tony Shaw will speak on developments in the coming year.

In addition, Ewan Sutherland, executive director of the **International Telecommunications Users Group**, will provide a report card on competition in the Australian telecommunications market. In a press release issued last week, Sutherland warned that Australia is slipping down the ladder in terms of broadband uptake. *"Australia is lagging in broadband Internet access and is not doing a great deal about setting this right,"* he said. On Friday, ATUG will hold a workshop on regional and remote telecommunications, which has been held in response to strong demand from its members.

Duncan Craig

Advantel acquires Hong Kong-based Pulse Telecom

Advantage Telecommunications Limited (AdvanTel) announced to the ASX on Friday the finalisation of the purchase of Hong Kong international telecommunications carrier **Pulse Telecom** for approximately \$165,000 in cash and \$941,000 in scrip.

The acquisition expands AdvanTel's Hong Kong switching capability from 40 million minutes per month to 60 million minutes per month and will result in significant cost savings by the rationalisation of switching facilities and equipment, Advantel said in its ASX statement.

Pulse, which commenced operations in 1998, owns and operates a large Hong Kong switching and network operations centre. It has also established direct market access to Asian countries including Cambodia, Mongolia, Sri Lanka and Bangladesh.

Under the terms of the deal, AdvanTel will acquire 100% ownership of Pulse under a complex series of share swaps and cash payments to current Pulse shareholders, including US carrier New Global Telecom.

Alan Hartstein

Red Herring joins tech magazine wreck statistics

The tech wreck continues to claim the industry's specialist press, with Silicon Valley bible *Red Herring*, which claimed a large readership in Australia, to shut its doors this month after 10 years of publication. Publisher **RHC Media** said it had unsuccessfully attempted to find a buyer and will instead put its subscriber list up for sale.

Red Herring has seen advertising volumes plummet by 85% since peak of the telecom and dotcom bubble in 2000. It joins a growing list of deceased tech and telecom titles. Last month, Britain's **EMAP Media** decided to close its venerable *Communications Week International* and *Communications International* titles, replacing them with *Total Telecom*, a tabloid title fashioned after its successful Web site namesake. Other recent casualties include the *Industry Standard*, *Tele.com* and *Net Economy* magazines in the US, while that market's leading title, *Telephony*, has cut its frequency from a weekly to virtually a fortnightly.

Even in this region, ad volumes have fallen dramatically at leading titles such as *Telecom Asia* and *CommsWorld* magazine in Australia. But despite the adverse conditions, there are plans afoot from an independent New Zealand publisher to launch a telecom title there, while **Fairfax Business Media** is also developing a Chinese language edition of its successful *MIS* title.

Grahame Lynch

BRIEFLY

- The Takeovers Panel has received an application from **Austar United Communications** shareholder **Pondale Properties** over concerns that it was not properly informed about **CHAMP**, the potential new owner of the pay-TV group. CHAMP, an equity buyout specialist, offered Austar major shareholder **United Australia Pacific's** bondholder creditors \$US34.5 million (\$61.13 million) for a stake in Austar in December and is now seeking to take UAP's stake in Austar and jointly own 80.7% of the pay-TV operator with Austar's other major shareholder, **UnitedGlobalCom** (UGC). The Pondale application alleges that the acquisition by the CHAMP group of a controlling interest in Austar will not take place in an efficient, competitive and informed market. The panel said it had not yet sought the views of the CHAMP group or Austar in relation to the application and has therefore formed no views on the application.

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Decisive Publishing ABN 13 065 084 960.

Publishers of: CommsDayAustralia, CommsDayAsia, The Australia/NZ Comms Report, 3G Pacific, Telecom Regulation

Mail: PO Box A191 Sydney South NSW 1235 AUSTRALIA. **THIS PUBLICATION IS COPYRIGHT. ALL RIGHTS RESERVED.**

Fax: 02 9261 5434. **Internet:** <http://www.commsday.com.au>



Media Release 25 February 2003

ATUG's 2003 Update Conference is happening on 5th and 6th March at the Hotel Inter-Continental in Sydney.

ATUG 2003 features international and local speakers, covering the latest in policy developments, wireless, IP networks, broadband and security - the hot topics identified by ATUG member companies.

Ewan Sutherland, Executive Director of the International Telecommunications Users Group will speak at ATUG 2003 on Competition in Telecommunications. Sutherland will present INTUG's 2003 Report Card on Australia which compares Australia's performance against international benchmarks.

On broadband, Sutherland warns that Australia is slipping down the OECD tables measuring broadband infrastructure and will be overtaken if nothing is done to arrest the situation, "Australia is lagging in broadband Internet access and is not doing a great deal about setting this right. It simply need not be the case."

On mobiles, Sutherland says, "Like many countries Australia is grappling with the mess that is post-GSM mobile telephony. All the hype about the wonders of mobile data for 2.5G and 3G has proved to be nonsense. I have no idea who will pay the sorts of prices operators want to charge."

INTUG is headquartered in Brussels and makes major contributions to OECD, ITU, EU, WTO, and APECTEL telecommunications policy development.

Ewan Sutherland's presentation is on 6th March at 10.00am

ATUG 2003 extends over two full days. The full program is at http://www.atug.com.au/other/speaker_lineup.pdf. ATUG's Annual Conference has been the key event for the industry - users, watchers and suppliers - since 1984.

To register for a Media Pass to ATUG 2003 or to arrange an interview with Ewan Sutherland please contact Elizabeth Lawler at ATUG on (02) 9927 9984.

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