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AUSTRALIA'S DAILY FAX AND E-MAIL NEWS SERVICE - AVAILABLE ONLY ON SUBSCRIPTION

Labor's plan for IT revealed: AGIMO to go, Industry Dept to get new powers

BRISBANE — A Labor Government would axe the Howard Government's **Australian Government Information Management Office (AGIMO)** and replace it with a set-up called **Government IT and Online**, the ALP has revealed.

The move would be part of a Labor Government investment of \$69.3 million over four years under a national information policy called E-Australia.

The policy would be funded using resources currently directed to AGIMO and the **Office of the Information Economy**, Labor's IT shadow minister **Kate Lundy** said at a Brisbane IT policy launch yesterday. These two bodies were previously grouped together in the now-defunct **National Office of the Information Economy (NOIE)**.

The policy would also seek to drive democratic participation using the Internet as a vehicle, close the digital divide, support small business adoption of IT and e-commerce, and deliver Government services online, Lundy said.

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Oracle running hot: \$509m profit

SAN FRANCISCO — **Oracle** posted a 16 percent leap in net profit to US\$509 million for its first quarter on the back of improved database software sales.

Revenues for the period increased seven percent to \$2.2 billion.

"Since we introduced our database for grid computing, Oracle 10g, our database new licence sales have grown 16 percent, 15 percent and 19 percent in the last three quarters, respectively," said CEO **Larry Ellison**.

He added: "Oracle is first to market with database grid technology and our database sales are trending up."

Broadband phone is here

SYDNEY — **Broadband Phone** has launched a handset that looks like a normal phone but operates over the Internet using a cable modem or ADSL connection. The so-called "Play and Plug" phone is expected to retail for \$249. Standard call plans cost \$15.95 a month.

According to Broadband Phone, this includes an Australian telephone number, 50 local calls and unlimited and untimed calls between subscribers. Additional phone numbers cost \$4.95 per month.

Based in Eveleigh, Sydney, BroadbandPhone says its VOIP infrastructure, using **Cisco** kit, covers most major cities in Australia and some overseas locations. Points of presence are in Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra, Gold Coast, Auckland, Hong Kong, Singapore, Taipei, Guangzhou, and Shanghai

ACCC issues new round of record-keeping rules

CANBERRA — The **Australian Competition and Consumer Commission (ACCC)** has issued a third round of draft record-keeping rules under the accounting separation regime for Telstra, and is seeking comments from interested parties.

"The draft rule updates a rule that the ACCC issued last year", ACCC Commissioner **Ed Willett** said yesterday. "At that time, the ACCC foreshadowed the issuing of a revised rule that would require Telstra to report on the retail ADSL service."

Willett said the purpose of this was to find out whether providers using the unconditioned local-loop service would be able to "viably" provide broadband services.

The commissioner stressed that the ruling was not one and the same as the ACCC's investigation into wholesale ADSL pricing.

Optus chief urges intervention

BRISBANE — Surfacing from an eventful first fortnight as **Optus** head honcho, **Paul O'Sullivan** yesterday called

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Labor's plan for IT revealed: AGIMO to go

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The policy initiatives have been grouped under five headings: Australia Online, Citizenship Online, Government IT and Online, Small Business Online and Safety Online.

According to Lundy, Small Business Online, a rebadged version of the current ITOL small business grants program, would score \$3 million a year, **Citizens Online** would get \$10.5 million over four years, and Government IT and Online (GITO) would be set up to replace the **Australian Government Information Management Office** (AGIMO.)

All in the one place

The day's top billing, however, went to information industry development policy, aimed at boosting IT exports. Some of the measures rolled out yesterday were:

- **New administration** for ICT industry-related programs and policy, to be centred in the Industry Department rather than the Department of Communications and IT. ("For the first time, all programs relating to ICT industry development will be in one place");
- **Allocation** of \$8 million of existing funding over four years to harness ICT export efforts;
- **A national manufacturing strategy** with ICT interests represented;
- **Continued funding** for BITs program;
- **A 10-year industry strategy** for software and digital content;
- **\$200,000** for research into ICT skills requirements for Australia;
- **\$100,000** a year for awards and scholarships to create

on the Federal Government to promote the uptake of broadband, saying it was the most important policy challenge in telecommunications.

Not surprisingly, O'Sullivan asked that Telstra be prevented from gaming in wholesale broadband, and that the Government set rules to ensure Telstra "plays fair" in facilitating competitive rollout.

"Optus is determined to bring competition to broadband — and head off efforts by the incumbent to dominate the broadband market in the same way that it dominated the local loop," the telco declared in a statement released yesterday.

Call centres play Concerto

SYDNEY — Less than a week after call centre software company **Concerto Software** bought rival **Rockwell FirstPoint Contact**, Concerto's US-based vice president of marketing, **Steve Herlocher**, is in Australia, bedding down the local operation.

Flanked by reptiles of the press and a handful of Concerto's Asia-Pacific and Australian executives, Herlocher yesterday managed to stay upright and amicable during a lunch at North Sydney's L'Incontro Restaurant that took place only hours after the Atlanta-based marketing boss touched down at Sydney Airport.

Now that the two organisations have combined, there

opportunities for women to study IT at tertiary level; and

- **A review** of ICT skilled migration program and its impact on the local ICT labour market.

Lundy also had plenty to say on Government procurement practices: "Labor believes there are specific barriers in place confronting small ICT companies that must be removed. The removal of these barriers sits at the top of Labor's priorities for ICT government purchasing."

She said Labor would ensure that tender response times did not favour large, fast-moving bidders; that outcomes for each stage of a project were identified so that SMEs could more readily participate; and that indemnity and public liability issues were not forbidding to SMEs.

Offshoring test

Under the measures announced by Lundy yesterday, Labor would also aim for a 50 percent SME participation in ICT purchasing, and for 50 percent at sub-contractor level where a large enterprise had won the contract if valued over \$10 million.

As foreshadowed, Labor would also adopt a test before off-shoring could be considered by a Government department. "This test will determine if Australian capability has been exhausted, and that security, privacy and other concerns are addressed," Lundy said.

The full extent of Labor's ICT policy is not yet known. "While today's announcement represents the heart of ICT policy, there are more yet to be released," Lundy said, adding that R&D polices are not far away.

are 10 staff in Australia, and 70 in the Asia-Pacific region. Eighty percent of the company's business, however, is conducted through the channel.

Concerto claims to have 60 customers in Australia, and, despite the offshoring phenomena, the local call centre industry is growing. "The Australian market, we've seen over the last six to seven months, has improved significantly," said **Gerry Tucker**, Concerto's Australian country manager.

He, along with other Concerto executives, maintain that businesses are taking a "more blended approach" to outsourcing. "As the market matures, organisations really are much more introspective about which parts of the business to outsource," he said.

Volante takes winning direction

SYDNEY — Local IT services company **Volante**, fattened by its February purchase of **Ipex**, released its annual report yesterday, chairman **Robin Crawford** stressing the outfit's increased outsourcing capacity and warning of a flattening of the procurement side of the business.

"The intense pressure on computer hardware prices and margins has continued in the past year," he said. "With the average price per unit continuing to decline, and the amount of service required to sell that unit remaining unchanged, companies in this business have to do more

work per dollar of revenue."

In the year to June 30, Volante posted an after-tax profit of \$7.6 million, 85 per cent higher than the previous year's \$4.1 million, on sales of \$348.3 million.

VARS a hit for printer sales

SYDNEY — Who's buying which printers, and from whom? IDC's latest peek at the enterprise market reveals that the preferred avenue for purchasing single-function printers is through value added resellers.

"Survey respondent feedback indicates that **H-P** and **Kyocera** fare well for vendor preference in relation to expenditure on single-function printers over the coming twelve months," said **Su-Lin Ng**, IDC market analyst.

According to IDC, 66 percent of respondents preferred VARs when buying a single-function printer.

Bendigo — an Optus World away

MELBOURNE — **Optus** has opened a consumer and business centre in Bendigo, claiming that the \$250K outfit, which will operate under the Optus World brand, will employ 10 people.

"This presents a significant chance for Optus to provide telecommunications services to people and businesses in regional Victoria," said **Rob Parcell**, Optus director, Victoria.

"Bendigo has a population of more than 140,000, and by having a permanent presence we can give consumers and businesses access to the same advanced level of technology and innovative thinking as metropolitan areas."

LG writes on

SYDNEY — **LG Electronics Australia** has unveiled the GSA 5120D super-multi-format external DVD writer. According to LG, the unit offers interoperability, allowing letting users write to DVDs and CDs compatible with other forms of media including DVD players and PCs. The writer costs \$349 (RRP) and is reportedly available now.

People, people

● Business communications software company **Avaya** has appointed **Emma McCormack** as its regional marketing program manager for global services. She comes to the position from **PeopleSoft**, where she held marketing posts in the US and Australia.

Yahoo joins chorus with Musicmatch

NEW YORK — **Yahoo** has joined the battle for online music supremacy by moving to acquire music software company **Musicmatch** for about US\$160 million in cash.

Like **Apple's** iTunes, privately-held Musicmatch offers "jukebox" software that lets users buy and download songs from its online store and manage digital music on a personal computer, as well as listen to Internet radio stations.

Yahoo said Musicmatch would complement its own

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Nokia plans BlackBerry Commander

SYDNEY — **Nokia** has confirmed it will bring a Symbian OS-based BlackBerry Connect mobile e-mail system to market, using a Nokia Series 80-based mobile device such as the 9500 Communicator.

According to Nokia, the new Communicator is due for local release in Q4 2004, and it will be able to connect to BlackBerry services from **Research In Motion**.

Graphics flaw threatens Windows

SEATTLE — **Microsoft** has published a patch for a major security flaw in Windows' handling of the JPEG graphics format and urged customers to use a new tool to locate the many applications that are vulnerable.

The critical flaw has to do with how Microsoft's operating systems and other software process the widely used JPEG image format and could let attackers create an image file that could run a malicious program on a victim's computer as soon as the file is viewed.

Because the software giant's Internet Explorer browser is vulnerable, Windows users could fall prey to an attack just by visiting a Web site that has affected images.

The flaw affects various versions of at least a dozen Microsoft applications and operating systems, including Windows XP, Windows Server 2003, Office XP, Office 2003, Internet Explorer 6 Service Pack 1, Project, Visio, Picture It and Digital Image Pro. Windows XP Service Pack 2 is not vulnerable to the flaw.

Flat panels to get slimmer

TOKYO — Major Japanese electronics manufacturers **Canon** and **Toshiba** have announced an agreement to jointly develop, make and sell next generation flat display panels which are thinner than conventional flat screens.

The two companies are to set up a joint venture to make surface-conduction electron-emitter display (SED) panels

