

Computer Daily News

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

Industry thumbs up to Costello budget: ICT stimulus on way

CANBERRA — Australian Information Industry Association CEO Rob Durie has welcomed the Federal Government's latest budget and what he says is its focus on the ICT industry in Australia and its potential to stimulate future growth in the industry. But he had a passing shot at the lack of initiatives in the budget to boost IT skills.

The budget initiatives "contain some very positive drivers for the ICT industry," Durie says. "As the leading industry body for the ICT industry in Australia, we welcome, in particular, the tax cut for depreciation of investments which will be worth some \$3.7 billion to Australian businesses over the next four years, along with the other key initiatives that we feel will assist in encouraging future growth of the ICT industry."

Durie says the key budget initiatives helping the Australian ICT industry include the 33 per cent increase in the allowable depreciation rate of assets under the uniform capital allowance (UCA), which effectively increases

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Go live anywhere! Gates unveils new online gaming system

LOS ANGELES — Microsoft chairman Bill Gates yesterday visited the E3 video game expo for the first time to unveil "Live Anywhere", a plan for online gaming that would link video game consoles, mobile phones and computers.

Microsoft already has 150 million games players round the world playing each other online. But the new "Live Anywhere" system — to be built into the forthcoming Windows Vista — will "take 'live' to the next level," said

Gates at a Microsoft news conference. "We're going from 'live' to 'live anywhere'".

Live Anywhere would allow participants to play games against each other regardless of whether the user is on a mobile phone, PC or Xbox console. Players will be able to start a game on the Xbox 360 and later pick it up on their PC or mobile — in the latter case, perhaps even while travelling on a bus or train.

Microsoft is hoping to win a much bigger share of the US\$30 billion video games market. It has beaten archrival Sony to the punch by getting its new console out the door ahead of the PlayStation 3 — and at a much cheaper price.

● At E3, Microsoft also unveiled an HD-DVD drive peripheral for the Xbox 360. The drive will allow users to watch HD movies, and is set to launch in the US in time for Christmas sales.



Credit card ID outdated says AFP

SYDNEY — Current credit card identification procedures are passé, Australian Federal Police (AFP) Commissioner Mick Keelty says. The top cop says the introduction of chip technology, backed by a PIN number, is already prevalent in the United States, Europe and Asia.

"I think we need to look seriously at these types of security mechanisms in Australia," he told an International Consumer Credit Card Summit. "The magnetic strip has outlived its day and is so easily copied and so easily defrauded that it is old technology."

Keelty is also critical of the current 100-point check system for identification when so many of the professional documents can be counterfeited.

ACS wants locals for smartcard

CANBERRA — The Australian Computer Society has called on the Federal Government to use Australian advice and resourcing — rather than calling on international corporations — for the proposed health smartcard project.

According to ACS, the Government was quick to give assurances that this call be met. ACS president Philip Argy

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Budget gets IT thumbs up

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the incentive for Australian businesses to invest in new plant, equipment and technology.

He says establishment of an Early Stage Venture Capital Limited Partnership (ESVCLP) investment vehicle will assist more Australian companies to commercialise their technology in the local market before stepping up to the world stage, along with \$200 million in further funding for the Innovation Investment Fund (IIF) program.

"In addition to the tax exemption for venture capital investments, the IIF program will further assist in the commercialisation of Australian innovation," Durie says.

Procurement change hailed

An increased commitment to **Invest Australia** will bring total funding of almost \$73 million over four years to boost international efforts to further foreign investment in Australian industry.

"While we broadly support the Government's budgetary initiatives, we however, do have concerns in relation to the lack of initiatives supporting building our skills

says Human Services Minister **Joe Hockey** gave his personal assurance that the Government would first resort to domestic expertise before looking offshore.

The smartcard plan announced by the Government last month is scheduled for introduction from 2008 at a cost of \$1 billion. It has been widely criticised by privacy groups and politicians. According to Democrats senator **Natasha Stott Despoja** the so-called access card is a national ID card in disguise, complete with microchip, card number, biometric photo and possibly sensitive health information.

She says the federal budget has paved the way for the most intrusive measure in the lives of ordinary Australians, with the allocation of the access card affecting at least three-quarters of the population.

"The Government has done nothing to reassure Australians about the privacy and financial implication of such a scheme," she said. "The privacy commissioner gets a miserly \$6.5 million over four years, presumably to protect Australians against misuse of this new system."

MS to chase CRM biz Down Under

SYDNEY — **Microsoft Australia** is planning a major promotional push for MS Dynamics — its new brand name for ERP and CRM software for medium to big business, previously described as Microsoft Business Solutions (MBS) — as it looks to take market share away from specialist operators like **SAP** and **Salesforce.com**. It currently claims about 5-8pc of those markets — and cooperates with SAP with products like the recently announced Duet.

The Microsoft Dynamics umbrella takes in five previous products, including **Great Plains**, **Axapta** and **Navision** (now known as Dynamic GP, AX and NAV, respectively) and **CRM 3.0**. By 2008-09, these will be incorporated into a shared-code product, easily integrated with Office 2007 and SQL Server, local Business Group chief **Flemming Beisner** told a media briefing in Sydney yesterday.

base," Durie concluded. "On the whole, however, this is a good budget that has the potential to deliver positive growth to the ICT industry."

Australian Computer Society president **Philip Argy** echoed these sentiments. "In a nutshell we were very happy with the budget and believe it is very good for the sector," he told *CDN*.

"Included are snippets here and there like the \$200 million for capital venture funding and improved depreciation rules. Other initiatives include \$400 million in funding for the **Department of Immigration** system and funding for the health smartcard project."

Argy says another key issue is for government procurement, which will not overlook domestic ICT. "SMEs are also set to benefit not just in dollar terms but in cutting of red tape to improve dealing with the Government," he says.

"Another great opportunity is in promoting us via **Austrade** which is looking at putting in a system to register companies, which will then be automatically told what opportunities there are right throughout the world."

Over lunch at Sydney's Shangri-La Hotel, Microsoft Australia MD **Steve Vamos** told journalists that the MBS division — part of **Jeff Raikes'** group, which also handles Office products — had enjoyed 13pc growth in the latest quarter and 18-20 percent year-to-date globally. Local growth was "not atypical" with those rates, Vamos said with a wry grin, declining to be more specific.

A Microsoft spokeswoman was a little more forthcoming, later in the lunch session. "Australia is growing at twice the global rate," she said.

Microsoft Down Under currently has 150 partners and 3000+ customers for the Dynamics products, Beisner said — and it's adding 10-20 partners a year. Customers include **Starbucks**, **Wizard** and **St Vincent de Paul** (ERP); **Commtech Wireless** and **Dept of Industry and Resources** (CRM); and **Camperdown Cellars** (retail management).

Some 75pc of customers say they're getting a "positive ROI experience in 23 months", the execs said. Vamos claimed the main business benefit was ending the "silo" effect and fragmentation that he described as the enemy of efficiency in business.

The coming promotional campaign is based on print ads, going into publications like *Financial Review* and the *Bulletin*. The MS team is also looking into a possible online ad campaign. — **David Frith**

Sol, you're bluffing, says Budde: fibre to go all the way home

SYDNEY — **Helen Coonan**, please note: **Sol Trujillo** and **Phil Burgess** are bluffing when they suggest **Telstra** might not build its proposed fibre-to-the-node network if the Big T doesn't get its way on regulation. That was the view put by celebrated commentator **Paul Budde** in a broadband seminar at the CeBit show in Sydney.

"Telstra will build the fibre network — it has no choice. There is no other way forward," proclaimed Budde.

He predicted the certain rollout of fibre to 20,000 nodes round Australian cities within five years — putting high bandwidth within a few hundred metres of most houses and allowing existing copper lines to carry as much as 54 megabits per second traffic, using VDSL technology, over the last stretch.

Telstra would then be under pressure to replace those last metres with fibre all the way to the home in the ensuing years, Budde said. In the metropolitan areas, “it’s not a question of if but when” on fibre to the home, he said.

Satellite services would provide reasonable connections in regional areas; and wireless technologies would be used on the edges of cities.

Budde is predicting 6 million broadband users in Australia by the end of 2007 — with close to 1 million of them linked to up-to-24Mbps ADSL2+ services. Full coverage via next-generation networks and fibre-to-the home should be achieved by 2015.

It gets worse for Telecom

WELLINGTON — NZ **Telecom** received another piece of unwelcome news with the **Commerce Commission** announcing it will look at reasons for the lack of new entrants in the mobile market, with an eye to more regulation.

The commission says it will begin gathering information from the industry and expected to complete the first phase of the investigation within months.

The ensuing report will be given to Telecommunications Minister **David Cunliffe** “with recommendations on any proposed regulatory changes”.

NZ Telecom shares lost another 11c to \$4.69 yesterday, just above the three-year low struck last week after the Government announced plans to open up its fixed line network to competitors seeking to improve their broadband Internet services.

ConnXion banks \$2.35m

SYDNEY — ASX-listed **ConnXion** has raised \$2.35 million in a share placement of 13.8 million shares to current institutional investors and broker clients. The company markets a system that automates delivery of business documents.

ConnXion says it will use the moola to accelerate its growth and “support new business opportunities both domestically and internationally”.

Specifically, the company plans an increased investment in sales and marketing. This includes appointing a sales manager with responsibility for Australia and New Zealand.

The company says it will also provide additional sales resources to **Singapore Post** as it rolls out the ConnXion system to customers across Asia.

Delpride opens data warehouse

SYDNEY — **Delpride**, a Sydney-based storage management and data warehousing supplier has opened a new custom-built premises for its mobile warehousing managed services.

INSIDE COMPUTER DAILY NEWS

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The company says the new high security facility at Mona Vale on Sydney’s northern beaches will provide round-the-clock technical support.

Sales up, profit down for Cisco

SAN FRANCISCO — **Cisco Systems** has reported stronger revenue but a small drop in profit for its third financial quarter. The company posted net income of \$1.4 billion, down from \$1.41 billion, a year earlier.

The networking equipment giant said share options-related expenses had offset a \$407 million revenue boost from the **Scientific-Atlanta** cable-box business, which it acquired for \$7 billion in February.

But Cisco also benefited from growth in its core equipment businesses. Traditional router sales rose five percent to \$1.5 billion. Sales of switching equipment jumped 13pc to \$2.69 billion.

For its current quarter ending in late July, the company is forecasting an 18-21pc rise in revenue to \$7.8 billion to \$7.95 billion. Excluding Scientific-Atlanta, Cisco said it expects revenue growth in the current quarter of 10-12pc.

Sony to play Apple’s tune

TOKYO — Chalk up another big win to **Apple Computer**, this time at **Sony’s** expense. Sony has announced that — after a long holdout — it will make its latest music management software compatible with the AAC data compression technology used by Apple.

The change will enable many Walkman users to listen to music imported via Apple’s iTunes music management software, according to *Asahi Shimbun* newspaper. “Sony said the coming version of its music management software, Sonic Stage, will be compatible with AAC.”

Sony’s acceptance of “Apple’s AAC format, used for the immensely popular iPod digital music players”, marks a particular about-face, the newspaper adds, calling it “an open acknowledgement that Sony can no longer ignore iPod’s dominant lead”. (AAC is not an Apple proprietary format but an MPEG standard agreed by international companies, including Sony — Ed.)

However it's far from clear whether Walkman owners will be able to import music from the iTunes Music store; that would also involve use of Apple's FairPlay digital rights management software

In Japan, Apple has 52 percent of the portable music player market; Sony is a distant second with 15pc. The difference is even more marked in international markets where iPod is said to have as much as 78pc of the action.

Nintendo shows off 'Wii'

LOS ANGELES — Video game giant **Nintendo** fired a salvo at **Microsoft** and **Sony** as it took the wraps off its new "Wii" console at the E3 games expo. The company claims it is set to revolutionise gaming and be in the hands of consumers later this year.

The Japanese game maker did not announce the exact date of the new console, but says it will be in the last three months of this year.

Shaped like a television remote control and engineered with motion sensors and speakers, the Wii control enables users to guide game play by moving as if actually wielding swords, swinging golf clubs, or firing weapons.

Quadruple play costs jobs

LONDON — US cable operator **NTL** says it plans to axe about 6000 jobs in UK by the end of 2007 following its recent merger with smaller rival **Telewest**.

About 80 percent of the reduction would take place within 12 months following the completion of the tie-up on March 3, the company says.

The merger with Telewest and recent takeover of **Virgin Mobile** will create what's claimed to be the first company in Britain to offer a "quadruple-play" package of television, broadband, fixed-line and mobile telecoms services.

AOL sacks 1300

MIAMI — **Time Warner's AOL** unit says it will slash 1300 jobs, most of them in conjunction with the shutdown of a US customer service call centre in Florida.

The layoffs come less than seven months after AOL eliminated 700 call centre jobs.

US STOCK PRICES

Stock	Close	Change	52-wk range
Nasdaq	2338.25	-6.74	1943.8 - 2375.5
3Com	5.26	-0.05	3.06 - 5.70
Adobe	33.24	-0.45	25.80 - 40.85
Alcatel	14.18	-0.28	10.44 - 16.51
AMD	34.16	+0.21	14.85 - 42.70
APCC	21.53	-0.17	19.00 - 28.56
Apple	71.03	-0.86	33.11 - 86.40
Autodesk	39.44	-0.46	32.61 - 48.27
Avaya	12.43	-0.27	7.85 - 13.11
BEA	12.88	-0.05	7.60 - 14.29
Borland	5.29	+0.18	4.72 - 7.14
Computer Associates	25.59	-0.14	24.37 - 29.71
CheckPoint	26.13	-0.02	16.26 - 29.91
Cisco	21.68	-0.08	16.83 - 22.00
Citrix	44.41	-0.75	21.10 - 45.50
Cognos	37.45	-0.40	31.56 - 42.00
Compuware	7.45	-0.13	6.08 - 9.99
Concurrent	3.26	-0.08	1.45 - 3.40
CSC	58.64	-0.89	42.61 - 60.39
Dell	25.20	-1.23	24.50 - 41.99
EDS	26.28	-0.02	18.59 - 28.09
Electronic Arts	47.55	+0.16	46.83 - 63.12
EMC	13.49	-0.11	12.05 - 14.88
Epicor	13.22	-0.07	10.46 - 16.58
Extreme Networks	4.66	-0.02	4.02 - 5.30
Google	408.80	+14.02	224.72 - 475.11
Hewlett-Packard	33.12	-0.67	20.12 - 34.52
IBM	83.23	+0.34	72.50 - 89.94
Informatica	15.68	-0.62	7.48 - 17.07
InfoVista	8.20	0.00	2.85 - 9.22
Intel	19.90	-0.21	18.60 - 28.84
Kyocera	93.63	-1.57	62.58 - 98.01
Level 3 Comms	5.40	-0.08	1.55 - 6.00
Lexmark	51.90	-0.20	39.33 - 70.63
Lucent	2.71	-0.11	2.39 - 3.49
McAfee	26.24	-0.28	21.75 - 33.24
Microsoft	23.62	-0.11	23.14 - 28.38
NCR	41.13	+0.05	29.09 - 44.45
Network Appliance	37.02	-0.16	22.50 - 38.50
Nortel	2.72	-0.05	2.42 - 3.57
Novell	8.19	-0.06	5.74 - 9.83
Oracle	14.11	-0.12	11.48 - 15.21
Progress Software	27.37	+0.06	26.35 - 35.84
Red Hat	31.97	-0.30	11.17 - 32.48
RSA Security	19.77	-0.22	9.99 - 21.04
Salesforce.Com	33.89	-0.42	14.55 - 42.99
SAP	55.45	-0.62	40.10 - 57.71
SSA Global	16.14	+0.21	11.00 - 20.58
Sun Microsystems	5.15	+0.07	3.56 - 5.40
Sybase	21.82	-0.15	17.96 - 24.10
Symantec	17.09	-0.29	15.30 - 24.38
Telstra A\$	3.80	-0.04	3.62 - 5.18
Texas Instruments	34.34	-0.19	25.36 - 36.40
Unisys	6.39	+0.02	4.38 - 7.48
Xerox	14.52	-0.12	12.40 - 15.78
Yahoo	32.49	-0.38	29.75 - 43.66

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