

# Rust Report

News and views of the action in Australasia's IT sector this week

February 6, 2009

## THE RUST BUCKET

### Closer relationships

INFORMATION TECHNOLOGY has a new face and a new set of shackles. There is no argument that IT has undergone a huge transformation over the past few years when we also believed that most transformation would continue to yield investment opportunities!

In the aftermath of the last bubble, the lines of business revolted against IT in the face of project failures, late deliveries, and costs that were out of control. In many cases IT was then carved up and handled by divisions. While some have tried this, many have now recentralised operations and given IT a new mandate — and in many cases a new set of leaders and decision-makers.

These new IT organisations have become more regulated and financially rigorous, turned into service organisations that are accountable to internal customers. They are often driven by steering committees that select projects based on corporate objectives and then monitor them in real time. In the last five years the top priorities primarily involved aggressive technology investment to drive market share. Today top priorities are about getting more out of previous investments through product and vendor consolidation.

In the past the industry got caught up on the next big thing. Customers would scramble to be signed up, and revenues would sky rocket — hopefully. And for vendors, capturing a piece of the gigantic pie often meant being able to forget about serving customers and managing the business. Products often worked only most of the time. Performance benchmarks were nonexistent and frustrations abounded.

Today's times — call the crisis what you will — have drained the coffers of many organisations and also of their vendors. Poorly managed vendors will disappear. The big guys are now figuring out their next moves. Business cases must be in the language of business, not techno speak.

In these difficult circumstances organisations are caught between a rock and a hard place when it comes to buying and selling technology. Businesses are reaching first for the low-hanging fruit of cost-cutting, including staff cuts.

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## UK distributor named for AdvaTel products

Australian software developer AdvaTel has appointed Westcon Group the UK distributor of its PhoneEasy IP console and desktop software products for Nortel platforms. The products will be marketed by Westcon's convergence business practice, explained Scott Tyson, associate director of sales at AdvaTel. "The PhoneEasy products integrate telephony, e-mail, text SMS, and calendar mining into one single application for Nortel BCM and SCS500 users," Tyson said.

"Having worked with the Westcon convergence team in the past, and knowing their commitment to industry-leading technology, they are in the best position to deliver the necessary knowledge and tools to help resellers profit from this powerful set of applications."

AdvaTel will also participate in Westcon's ConvergencePoint program, which offers a portfolio of voice and convergence products, services, and solutions designed to interoperate with and complement each other. The program is intended to help Nortel resellers get up to speed quickly on the PhoneEasy product set, Tyson said.

[www.advatel.com.au](http://www.advatel.com.au)

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## INSIDER EDITION

### Kiwi council meets Objective

Environment Bay of Plenty, a regional council in New Zealand's North Island, has implemented an enterprise content management system provided by Australian developer Objective Corporation. The council liaises with six district councils and manages the environmental attributes of land, water, coast, and air, as well as overseeing the region's economic development, passenger transport, harbour navigation and safety, regional planning, and infrastructure.

The council's primary requirement was to manage the authoring of, and collaboration on, documents, rather than controlling large amounts of incoming information, a spokesman said. "If we can control the way we manage, process, publish, and share our information, we can identify opportunities to improve these processes." In planning for the implementation of Objective the council mapped hundreds of workflows, some 60 of which have been implemented in the initial stages, the spokesman added. [www.objective.com](http://www.objective.com)

### Vics begin netbook trial in schools

With the start of the new school year the Victorian Government has kicked off a three-year trial of netbook computers. Over the term of the trial some 10,000 students in years 5, 6, 7 and 8 will have access to hardware from Acer and Lenovo loaded with 28 educational software programs. Among the applications are Microsoft Office, Microsoft Student with Encarta Premium, the Kahootz animation program, and the Google Sketchup CAD package.

Schools will own the netbooks, but students will be able to take them home and will have an option to purchase the devices in the final year of the trial, explained Education Minister Bronwyn Pike.

#### **RUST BUCKET**

*Continued from page 1*

**But companies that do emerge from these times will need the skills and leadership to make it all happen quickly and efficiently.**

**Technology vendors must see the world through the eyes of their customers. They must speak the language of business. But most importantly they should focus on the pain that the business managers feel. Pain relief comes in the form of improved business response and control, such as improved management effectiveness, employee productivity, business relations, and customer service.**

**Vendors must also communicate strongly a wide and deep understanding of their audience and their specific strengths. Communication is a continuous process. When things are relatively quiet vendors still need to communicate what they are doing, the status of their sales activities, and their strategies. They also need to maintain a deep and continuous relationship with their customers, partners, and stakeholders. Technology leaders must be sensitive to their customers' needs to market internally and externally their accomplishments and strategies.**

— Len Rust [RustOz@bigpond.com.au](mailto:RustOz@bigpond.com.au)

### Resources company thinks Positive

ResCo, a provider of resources operational and maintenance services, has deployed software from Australian developer Positive Workforce Solutions to simplify its payroll processing. The e-tivity software has been installed at four sites to reduce the time and costs associated with scheduling a shift-based workforce and processing their pay, said Craig Ransley, executive chairman of ResCo.

The system is to be extended with the implementation of Positive's EziTime Clocks, which will use biometric finger scanners to automate the collection of timesheet information by recording what time employees start and finish rostered tasks.

"The mining sector is very different to a lot of other industries because there's a lot of weekend work and roster rotation," Ransley noted. "By writing the IR rules into our system, an area that payroll offices don't always understand, we're really proofing ourselves against any potential errors." [www.positive.com.au](http://www.positive.com.au)

### Super administrator buys locally

Industry superannuation fund administrator Superpartners has selected Australian company Global Speech Networks to create and host a voice portal solution for its contact centre. The new voice portal is scheduled to be deployed to Superpartners' first fund client in March, and to be available to other fund clients from April.

A spokesman said the portal will allow contact centre workers to focus on the handling of the more complex account inquiries because about 25 per cent of calls will be automated once the portal is operating. [www.globalspeechnetworks.com.au](http://www.globalspeechnetworks.com.au)

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**INSIDER EDITION**

Continued from page 2

**Challenger extends use of SimCorp**

Challenger Financial Services Group has implemented trade order management software from SimCorp, becoming the first fund manager in the Asia/Pacific region to use SimCorp's Dimension application to support its entire investment management operation. [www.simcorp.com](http://www.simcorp.com)

**Ausenco builds net on Reliance**

Ausenco, an Australian provider of engineering, project management, and operations services to clients around the world, has selected Reliance Globalcom to design, implement and manage a regional WAN covering offices and sites in Brazil, Peru, Chile, and the US.

The fully redundant network service will use a hybrid multi-protocol label switching and IPSec solution to link the South American sites to a central data location in the US, a spokesman explained. [www.relianceglobalcomm.com](http://www.relianceglobalcomm.com)

**Orders & Installations**

- Shoalhaven City Council in NSW has selected US company Interactive Intelligence to deploy a unified communications platform. The contract includes new optical fibre cabling and a data network upgrade. The tender process was administered by PABX Advisory Services. [www.inin.com](http://www.inin.com)
- Office product supply company OfficeMax has deployed a unified communications network from Nortel to link its operational centres in Australia and New Zealand. A trial is now under way ahead of the next phase of network deployment, which involves migration to Microsoft's Office Communications Server platform. [www.nortel.com](http://www.nortel.com)
- The Australian Computer Society has joined forces with Sophos to offer members personal use of the Sophos Endpoint Security solution as a component of their ACS membership. Details at [www.acs.org.au/sophos](http://www.acs.org.au/sophos)
- Perth-based systems integrator Expanse IT has been selected to provide the National Native Title Tribunal with a secure virtual private network to link a mobile workforce and a distributed network of offices. The network will rely on technology from WatchGuard Technologies to save on costs and to secure intersite traffic. [www.expanseit.com.au](http://www.expanseit.com.au)

**Aussies worth watching****A roundup of companies making waves at home and abroad**

- **SIMMS INTERNATIONAL** is a supplier of products and services to the retail reseller, system integrator, distribution, and OEM markets. The company also delivers a range of services from consultative selling, tailored marketing programs, and comprehensive technical support through to product management and advanced inventory and logistics management. [www.simms.com.au](http://www.simms.com.au)
- **MAINTENANCE EXPERTS** provides computerised maintenance management systems to a large group of industry sectors, including manufacturing plants, building facilities, local governments, fleet managers, and maintenance contractors. The company has more than 4500 users worldwide, including CSIRO, BigW, Bluescope Steel, Dulux, Bradken, and Monier. [www.mex.com.au](http://www.mex.com.au)
- **OPTIMICE** provides consulting services to help organisations map and improve business relationships at multiple levels. The key methods the company uses are organisational network analysis and value network analysis. Optimice has developed services to help clients optimise sales and delivery connectivity to achieve higher performance, optimise strategies and alliances, and optimise multisourcing strategies. [www.optimice.com.au](http://www.optimice.com.au)
- **SOFTROCK SOLUTIONS** develops automated robotic surveying systems for the detection of movement in large structures such as open pit walls, dam walls, or anywhere that failure movement needs to be measured. The company's products range from entry-level software using clients' existing equipment to fully automated systems that operate 24/7. [www.surquik.com.au](http://www.surquik.com.au)
- **GROUNDHOG** designs, develops, and delivers enterprise-ready solutions to business problems and helps some of Australia's leading companies plan a service-oriented architecture (SOA) infrastructure. The company's vendor-neutral and technology-neutral approach into the ways in which organisations can benefit from an SOA enables them to integrate the technology into their IT strategic plans. [www.groundhog.com.au](http://www.groundhog.com.au)
- **EXISTCO** provides a range of automatic data capture products and electronic and software engineering services. The company offers a full range of tracking solutions, including bar-coding, radio frequency identification (RFI), and touch-button technology. Existco also provides marking products, POS products, and custom products. [www.existco.com.au](http://www.existco.com.au)

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## DEALMAKERS

### Polaris opens for business

The much heralded \$A220 million Polaris data centre in the Queensland designer city of Greater Springfield opened for business this week. Early customers of the Tier 3+ facility are Suncorp and NEC.

The five-storey centre, which offers 7000 square metres of raised floor area over three levels, was developed by the Springfield Land Corporation and Suncorp, and was constructed by Theiss. Technical design was undertaken by Strategic Directions. [www.strategicdirections.com.au](http://www.strategicdirections.com.au)

### Intelledox samples SaaS waters

Australian developer Intelledox has launched into the software-as-a-service market by launching its Express offering for the automation of document-centric business processes.

"Documents represent the low-hanging fruit on the business process tree," explained Phillip Williamson, CEO of Intelledox. "Wherever you see document output, chances are there is some level of manual business process behind it."

Williamson added that the Intelledox solution uses drag-and-drop technology to create templates that can extract data from multiple sources to create rich documents. It also can integrate seamlessly with line-of-business systems. "With these capabilities organisations can quickly automate document-centric processes to increase their efficiency by more than 50 per cent and achieve ROI within 12 months." [www.intellexox.com](http://www.intellexox.com)

### Setting up Down Under

Notwithstanding the tough economic conditions a number of multinationals have chosen the start of 2009 as the time to open operations in Australia. They include:

- Research In Motion, the manufacturer of the BlackBerry wireless handheld device, has opened its regional HQ in Sydney to service customers in Australia and New Zealand. "This new regional headquarters will help foster our innovation and growth while serving both customers and partners in the region," explained Adele Beachley, RIM's regional director for Asia/Pacific. [www.rim.com](http://www.rim.com)
- Learning technology company Sanako, which was formerly known as Tandberg Educational, will work with sales partner Broadcast Workshop ([www.broadcastworkshop.com](http://www.broadcastworkshop.com)) to establish Sanako Australia, which will operate as the company's regional office. [www.sanako.com](http://www.sanako.com)
- TradingScreen, a US provider of trading systems for the financial sector, has opened an office in Sydney to support the increasing demands of its Australian clients. The company will offer sales and support for the region from the new office. "Australia has observed sustained growth in terms of the number of traditional asset managers and hedge funds based in Sydney and Melbourne who are seeking the leading trading tools for use in international markets," claimed Nathan Walker, TradingScreen's head of South-East Asia and Pacific. [www.tradingscreen.com](http://www.tradingscreen.com)

### Aust technology for health standard

Software developed by the CSIRO has been accepted by the International Health Terminology Standards Development Organisation as part of a new workbench for classifying medical information. The Snorocket software will be used to standardise the clinical descriptions of patient symptoms, treatments, and outcomes used in electronic health records around the world, explained Professor Bruce Barraclough, medical director of the Australian e-Health Research Centre.

Barraclough added that Snorocket is distinguished by its speed. "It can process the industry standard — Systemised Nomenclature of Medicine Clinical Terms — up to 10 times faster than other classifiers, significantly improving the user interactions with the workbench editing tools." It will soon be used by IHTSDO member organisations, including the Australian National E-Health Transition Authority. <http://aehrc.com/>

### Feds spread the Gershon word

The Australian Government Information Management Office has held the second of a series of seminars intended to spread the word about how the Federal Government intends to implement the recommendations of Sir Peter Gershon about ICT use in government (*Rust Report*, Sep 5 2008, p5).

In the event held this week Ann Steward, Australian Government CIO, outlined, among other things, the implementation of the reform program, including the restructure of AGIMO, and the ways in which industry can participate in the reform process.

"It is vital that industry utilise this opportunity to collaborate directly with government on the range of reform initiatives," said Lindsay Tanner, Minister for Finance and Deregulation. "Through direct engagement and co-operation with the ICT industry we can effect significant improvements to the ways in which the public and private sector work together to deliver services to Australia's citizens." [www.finance.gov.au](http://www.finance.gov.au)

### Wotif defies economic turmoil

Online accommodation sales site Wotif.com has bucked the almost universal doom and gloom by advising the ASX that it expects its profit after tax in the first half the 2008/09 financial year to be about 20 per cent higher than in the previous first half. Robbie Cooke, managing director of Wotif.com, said the group will release its results on February 18. [www.wotif.com](http://www.wotif.com)

### Gen-i puts focus on staff training

Telecom NZ's ICT solutions provider Gen-i has opened a training academy for its 1700 IT and telecommunications service delivery staff in Australia and New Zealand.

John Woodyard, the Gen-i Academy manager, said the company has introduced structured and personalised training and coaching programs because "the old sheep-dip approach to training has truly run its course". [www.gen-i.com.au](http://www.gen-i.com.au)

## DEAL MAKERS

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### Pipe confirms funding for cable

Pipe Networks has managed to sort out the funding arrangements for the construction of its PPC-1 cable linking Sydney and Guam. Bevan Slattery, CEO of Pipe, said the terms of the amended deal are confidential, but he claimed that new agreement "recognises the financial security of [subsidiary] Pipe International's pre-committed IRU agreements already in place". Progress of the cable-laying can be followed on the PPC-1 blog at [www.pipeinternational.com](http://www.pipeinternational.com)

### Optus set for Google Android launch

Google's Android operating system for mobile phones is to make its debut in Australia on an HTC Dream handset hooked up to the Optus network. In keeping with the phone's powerful capabilities, the Optus pricing plans include "substantial data allowances to help customers make the most of their mobile Internet experience," claimed Michael Smith, acting managing director of Optus Consumer. "Customers are increasingly using their mobile phones just as they use their PCs," he said. [www.optus.com.au](http://www.optus.com.au)

### Telecom NZ rolls out fast ADSL

Telecom NZ's wholesale subsidiary is gearing up for Very High-Speed Digital Subscriber Line 2 (VDSL2) technology throughout New Zealand. The technology is expected to offer download speeds of up to 50M-bits/sec to customers within one kilometre of an exchange or fibre-fed roadside cabinet, said Paul Reynolds, CEO of Telecom NZ. [www.telecom.co.nz](http://www.telecom.co.nz)

#### Business Briefs

- Cellnet has been appointed a distributor in Australia and NZ of BullGuard security software for PCs and mobile devices. [www.cellnet.com.au](http://www.cellnet.com.au)
- Lawson Software has teamed up with the Australian subsidiary of US consultancy Turnpoint Solutions to offer services to Lawson clients. "Our consultants will work closely with Lawson's customers at both executive and management levels to help make sure their business strategies are mapped clearly to technology investments that underpin business process change," said Adrian Hale, managing director of Turnpoint. [www.turnpoint-solutions.com](http://www.turnpoint-solutions.com)
- Technology commercialisation specialist ipernica has laid off some consulting staff as it tightens its operational focus to two profitable areas: IP assertion and the newly acquired NearMap business. [www.ipernica.com](http://www.ipernica.com)

A VIP TOLD ME

## Michael Warrilow

Managing director of Hydrasight

**RUST:** What sets you apart from other analyst firms when it comes to research or projects?

**WARRILOW:** I'll limit myself to three areas. Firstly, we are focused exclusively on the needs of IT organisations in the Asia/Pacific region. Moreover, our analysts are predominantly based here rather than in the US.

Secondly, due to our size, we are able to work more intimately with our clients and become an extended part of their team.

Thirdly, we provide online access to more than 300 analyst briefs free of charge.

**RUST:** How do Australian vendors get on your radar with new products or services?

**WARRILOW:** Any emerging vendor is able to get on our radar, dependent upon the quality and potential value they can bring to IT organisations in the Asia/Pacific region. Above everything else, we take the real-world experiences of local organisations into account. As a recent example, [bijingo.com](http://bijingo.com) got on my radar based upon increasing usage we observed among our readers.

**RUST:** What are your strong technology areas?

**WARRILOW:** Hydrasight focuses primarily on enterprise software in Asia/Pacific.

With that said, we also undertake research and the benchmarking of business and IT processes. Given the depth of experience of our analysts, we're known for being able to cover a broad range of existing and emerging technology areas.

**RUST:** What do you see as the biggest challenges in the Australian marketplace at this time?

**WARRILOW:** After a lengthy period of time where Australian IT organisations were fixated with speed and responsiveness, most will be forced to (re)focus on cost reduction and improving organisational efficiency. In the process, CIOs will need to become more reactive and tactical rather than working at the strategic level they desire.

**RUST:** What are your five key predictions for 2009?

**WARRILOW:** It's difficult to restrict it to just five, particularly when many of our predictions are related to areas of decreasing focus, for example, unified communications. With that said, we believe cloud computing in its many guises, such as software-as-a-service and virtualisation among others, will undoubtedly become a key emerging area for 2009.

All of Hydrasight's published 2009 trends are available online at [www.hydrasight.com/research](http://www.hydrasight.com/research) (registration required; but no charge).

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## RUST e-RESEARCH

### Enter the year of the smartphone

2008 proved to be a year of two halves. In the first half, mobile handset shipments happily chugged along at about 14 per cent growth year on year. In the third quarter handset shipments slowed to eight per cent before crashing into the red in the fourth quarter with -10 per cent. The underlying root cause? "Sheer fear sapped the confidence of consumers, enterprises, and corporate users across the board," said Jake Saunders, Asia/Pacific vice-president of ABI Research. "As a result, 2008 signed out the year with 1.21 billion handsets shipped for an annual growth of 5.4 per cent. Just a year ago we had 16 per cent".

2008 was also very much a year of winners and losers:

Largest gainer in marketshare was Samsung with an increase of 2.7 per cent (2008: 16.2 per cent). Samsung had a faultless four quarters, driven by handsets such as the Omnia and Ultra series.

The next significant gainer was Nokia with a 1.8 per cent gain in market share (38.6 per cent). Most of the gains, however, were secured in the first half. Market-share started to slide in the second half and fourth quarter in particular as emerging market growth stalled. LG secured a 1.5 per cent increase for an 8.3 per cent share, in particular gaining significant traction in the North American market.

"While those three manufacturers dominated the global market, it probably would not come as a surprise to many that RIM (Blackberry) and Apple (iPhone) boldly moved up in the market-share stakes with growths of 0.9 per cent and 0.8 per cent respectively," noted Kevin Burden, ABI's practice director for mobile devices. Despite the tough economic climate, these two players are likely to continue their march to the consumer centre-stage but do it in a way that does not drop their handset ASPs to bargain basement levels. HTC was late entering the consumer smartphone market with the Android-based G1, but has significant contracts in place which should play to its advantage in 2009.

The vendor with the most significant loss in market-share was Motorola with a 5.1 per cent drop in 2008 (8.3 per cent). This is an improvement on 2007 in which the firm suffered a 7.8 per cent drop, but it underscores the urgency for Sanjay Jha and Motorola's senior management to deliver robustly-selling products in 2009. It will be a tough year for Motorola but the company needs to deliver handsets that draw back the once faithful Motorola purchaser before it is truly too late. The challenge is that purchasers in 2009 will be very, very picky.

### Economy impacts SMB priorities

The downturn in the US economy is having a significant impact on small and medium business (SMB) priorities and plans for technology acquisition. The concern is real, and the impact potentially profound, with variations by company size, industry, and attitude segment, according to a recent IDC survey. As a result, 38 per cent of small firms are more likely to delay IT spending, and 42 per cent of medium-sized businesses are more likely to reduce IT spending.

"The majority of SMBs are extremely or strongly concerned about the current and expected state of the US economy over the next 12 to 18 months", said Justin Jaffe, senior research analyst for SMB programs at IDC. "Although SMBs are expected to drive greater growth in IT spending than the corporate IT market overall, it will be critical for vendors to understand how changing economic conditions will impact the spending habits of companies of certain sizes, vertical industries, and attitudinal characteristics".

Among other key findings are the following:

- Businesses in the architecture/engineering, legal, retail, and manufacturing sectors are the most likely to delay IT spending, and wholesale, insurance, and legal firms are the most likely to reduce IT spending.
- Small and medium-sized businesses are more likely to focus IT investment on tactical projects, which deliver immediate benefits, than strategic projects.
- Cloud computing initiatives are not being driven by economic concerns, save for the small minority of SMBs that indicated that they will look more closely at hosted solutions as a result of the economy.

Fewer than 50 per cent of SMB 2.0 firms, the most forward-looking group, are extremely or strongly concerned about the US economy, compared with approximately 70 per cent of IT-Indifferent firms and 60 per cent of Pragmatist firms.

### Digital Britain finds a ray of hope

Lord Stephen Carter, the UK's first communications minister, has published the much-anticipated report *Digital Britain* — a plan to secure Britain's place at the forefront of the global digital economy. It portrays the sector as a ray of hope in an otherwise bleak economy and proposes 22 recommendations to make the digital network the backbone of the economy in the same way that roads and railways have been in the past. Lord Carter rightly identified the need for a comprehensive program for Digital Britain, although at the moment he seems unsure of how to deliver one.

The IMF warned that Britain is set to suffer the worst recession of any advanced nation during the current downturn. As such, any measures designed to stimulate sectors of the economy must be timely and credible. This means taking the right long-term decisions now to secure a competitive future. The UK government now has an opportunity to move away from a reliance on the financial sector and make the broadband network the backbone of the economy in the same way that roads and railways have been in the past.

In this respect, the UK is already behind other countries in Europe and the rest of the world. For instance, the Irish government recently launched a national broadband tender, and the Portuguese government has committed to investment in fibre rollouts. Digital Britain (perhaps unfairly) is seen as the UK's answer to an Obama-style stimulus package. However, on seeing the interim document, the UK is at risk of substituting yet more reports for action.

**RUST eRESEARCH**

Continued from page 6

No fewer than eight new reports will come out of Lord Carter's initiative, with responsibility spanning across three institutions: the Department for Culture Media & Sport, the Department for Business, Enterprise & Regulatory Reform, and Ofcom. The government must ensure that Digital Britain doesn't become merely a series of reviews, reports and consultations, but instead is a convincing roadmap for action. The priority should be a focus on spectrum and next-generation access (NGA), after which many of Lord Carter's other objectives become easier to achieve.

While the report is characterised by the things it doesn't say, many important roadblocks have at least been acknowledged — in particular the delay to spectrum re-farming and allocation of the digital dividend.

A new Wireless Spectrum Modernisation Program will seek to resolve the re-farming dispute, and if a voluntary solution amongst operators does not emerge then a government-imposed resolution could unfold. With the digital dividend, now would have been an ideal opportunity for the UK to join those other countries that have advocated harmonising the 790–862MHz band to be used for mobile broadband — instead this issue will join the bulging to-do list for the summer.

These unresolved issues could have far-reaching implications for the ubiquity of broadband, since it is hard to define a new universal service obligation (USO) until such spectrum issues are resolved.

Lord Carter's words on the universal service obligation perhaps highlight one of the greatest flaws in his report, and that is the lack of attention the government is paying to developments in the sector at the EU level.

The current review of the USO Directive being led by the European Commission, despite having been subject to many delays, is likely to produce a proposal in 2009 with an option for legislating in 2010. Any proposal that the government puts forward will have to take into account a change in this directive.

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BY ASSOCIATION

## Seizing the opportunities

Kim Denham \*

In the current global financial crisis, professionalism will play a critical role in enabling growth and prosperity. Despite the impact of the financial market collapse, billion dollar corporate frauds threatening thousands of jobs, and Federal plans to eliminate hundreds of ICT contractor positions, there are things we can do as companies and as professionals to shore up our position.

Recent allegations of massive financial mismanagement at Indian outsourcer, Satyam, have raised questions about the need for tighter corporate governance standards and greater scrutiny of compliance.

We welcome the Indian Government's timely intervention, recognising that many of Australia's top companies rely on the outsourcer for their core business systems, including ANZ, National Australia Bank, Qantas, and Telstra.

At the same time, the ACS urges the government to work with the ICT industry to support and jointly fund the development of enforceable standards for accountability and transparency in ICT. Not only will this align us more closely with other professions (doctors, lawyers, and engineers), but these changes are in the public interest and good for business.

In today's globalised world, companies are so closely connected and inter-reliant that the failure of one organisation can have enormous ramifications for its staff, suppliers, customers, and partners.

Given the financial climate, there are many benefits to be gained from choosing Australian ICT goods and services rather than purchasing offshore, both as a way of minimising exposure and to help strengthen the local economy.

Reports that several Federal Government departments will begin axing ICT contractors are the leading edge of widespread cost-cutting as part of the Gershon Report implementations, although some contractors will be replaced with full-time positions.

Whether working as consultants, contractors, or employees, ICT professionals can improve their competitive position by demonstrating:

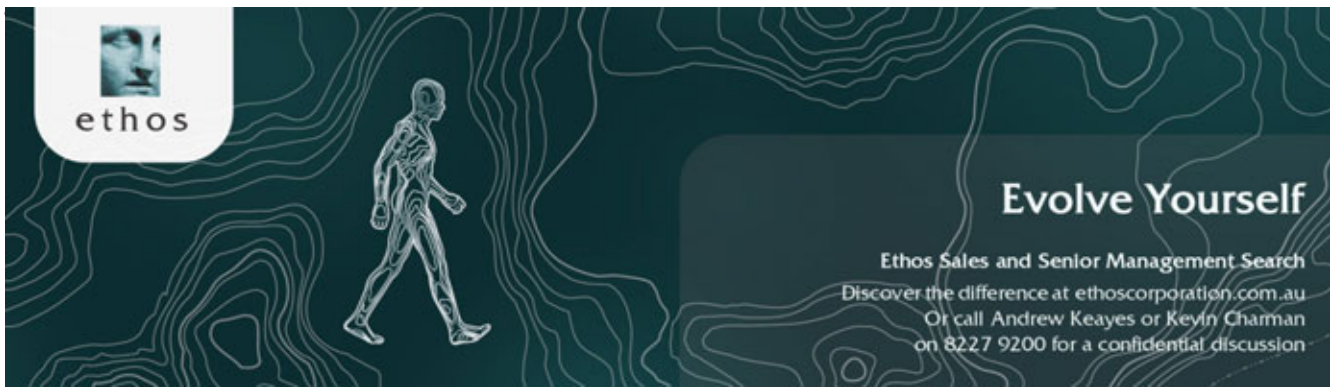
- A history of professional conduct,
- A high standard of technical competence,
- A commitment to staying up-to-date with trends and developments,
- An awareness of social, ethical and legal implications, and
- Stringent processes for accountability and discipline.

These qualities are the hallmarks of professionalism and ensure the highest possible standard of performance. They are also essential to mitigate risk in a sector that increasingly underpins every aspect of modern life.

As the professional association for those working in the Australian ICT sector, the ACS is committed to driving professionalism at all levels of business and across the community.

Pending Government protection, companies that continue to prosper in this economic climate will be those that apply the attributes of professionalism to manage their risk and drive growth. The more companies that do this, the sooner this current crisis will end.

\*Kim Denham is chief executive officer of the ACS  
[www.acs.org.au](http://www.acs.org.au)



## REVOLVING DOORS

### Bennet takes leave of Sun

Duncan Bennet has resigned from Sun Microsystems where he was managing director for Australia and New Zealand. After 10 years with the company he plans to "pursue other interests", according to a statement released by Sun this week.

Bennet will be replaced in an interim capacity by Andrew Goodlace, who will be acting managing director. Goodlace was most recently director of sales for Australia and New Zealand.

### Harrison steps down as CEO

Stephen Harrison has resigned as CEO of Cellnet, although he will remain a non-executive director of the company. One of the founders of the company, Harrison had returned to the managing director's job in 2007 following the delisting of Mercury Mobility on the ASX (*Rust Report*, Aug 24 2007, p8).

The CEO's position will be taken over by Stuart Smith, currently CFO, who has been with the company just on a year. He had previously worked for AAPT Mobile and Voxson.

### Giesel heads Siemens unit

Edgar Giesel has been appointed general manager of Siemens Enterprise Communications in Australia and New Zealand, replacing Eric Hampel who left the company late in 2008. Giesel was previously director of sales for Siemens Enterprise Communications' financial services division in South Germany.

### Weldon retires as chairman

Kevin Weldon has retired as chairman of ComTel Corporation, a mobile and e-marketing company that was previously known as ComodiTel. He had joined the board in 2007 and had overseen the takeovers of Sonnet and Empowered Communications.

Wheldon has been replaced as chairman by Phillip Pryke, a director of Co-Investor Capital Partners.

## Around the Traps

- Geoff Whiteley has joined enterprise application management specialist Micro Focus as account director. A 28-year industry veteran Whiteley was most recently with Information Builders. He has also worked for Bearing Point (KPMG Consulting), DEC, and Unisys.
- Andre Pravaz has resigned from the board of Altium to focus on his role as executive vice president of worldwide field operations.

## BEING GREEN

### Software called in to manage power

Organisations in the US and UK are considering, and have budgeted for, software solutions to improve the efficiency of their IT infrastructures and to solve the environmental challenges posed by the increasing use of computing resources, according to a survey conducted by Echo Research for CA.

Although many companies talk about going green for the good of the environment, the research indicated that the respondents considered it a secondary benefit. In the US and the UK the biggest influences to adopting green technology were cost implications. Other influences considered by IT executives were disruptive IT failures, and responsibilities to the corporation, the community, and the environment.

Some specific findings of the survey:

- About 60 per cent of companies in the US have applied software in their data centres or to servers to help manage energy consumption;
- More than half of US companies manage efficiency by applying software to their mainframes; and
- US companies are more likely than their UK counterparts to use network management software and virtual machine software. [www.ca.com/greenability](http://www.ca.com/greenability)

### IBM greens data centres in India

Indian financial services giant Religare Enterprises has selected IBM to deploy three energy-efficient and green scalable modular data centres (SMDCs). IBM will also put in place a networking infrastructure and disaster recovery system for the company.

Big Blue's SMDC design uses high-density computing and precision air-conditioning and IBM claimed it will reduce Religare's annual power costs by between 30 and 35 per cent. IBM also claimed the data centre solution will support all of Religare's current applications as well as many that are scheduled for future roll-out. [www.ibm.com](http://www.ibm.com)

### Brits miss supply chain efficiencies

Just three per cent of UK organisations have totally automated their procurement processes even though 69 per cent believe that moving to electronic procurement would support their environmental strategies. A study by the National Computing Centre and COA Solutions showed that 72 per cent of respondents still process documents like invoices manually, while 38 per cent still manually approve purchase dockets. Details online at [www.coasolutions.com/news/source-to-pay-procurement.php](http://www.coasolutions.com/news/source-to-pay-procurement.php)