

# CommsWire

Essential daily reading for the communications industry executive

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## TELSTRA WORKERS TO DOWN TOOLS FOR STRIKE



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# TELSTRA WORKERS SET TO STRIKE OVER PAY AND CONDITIONS

**Telstra employees are readying for a work strike on Tuesday after the company failed to reach an accord on pay and conditions with the union that represents the workers.**

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A statement from the Communications, Electrical and Plumbing Union accused the big telco of trying to "cripple workers' right to take symbolic protected industrial action, and its refusal to provide workers with a fair pay and conditions".

The CEPU said it had planned to undertake minor forms of industrial action but claimed Telstra had escalated the dispute by threatening to cut the workers' pay if they indulged in action, even if it was outside working hours.

CEPU Communications Division national president Shane Murphy said: "This week we notified Telstra that we planned to take a minor form of protected industrial action. The planned action would have seen workers refuse to log-on to Telstra's job allocation system 30 minutes prior to their paid start time. This was designed to be a symbolic action to represent workers' discontent with Telstra's pay offer, while having minimal impact on customers.



"Disgracefully, Telstra responded to this by notifying workers that they would be punished with the removal of a whole day's pay for each and every day they engaged in this minor action within non-paid hours.

"Telstra's threat to dock workers a whole day's pay for this minor action, during unpaid time, meant that workers would be locked out of their employment and customers would be significantly impacted.

"Telstra's response shows the contempt the executive group has for its workforce, and for its customers."

Murphy said protected industrial action was being taken because Telstra was allegedly trying to force workers to take a pay cut, in real terms.

"Workers have spent many months trying to get Telstra to come to the table with a fair wage offer, and all Telstra is doing is axing jobs and slashing wages," he said.

The strike will mainly affect maintenance, including diagnostics, testing, new service provisioning including NBN connections, fault repairs and investigations.

"Of course, we never wanted to be forced to take protected industrial action, but Telstra hasn't left us with any other option," said Murphy.

"Thousands of Telstra workers across the country will send a message on Tuesday that it's time to take the workforce seriously. We can't continue to let those at the top of Telstra attack its workers and drive our once-iconic telco into the ground."

**Sam Varghese**



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## 5G CLAIMS BY ASD'S BURGESS TERMED 'DISAPPOINTING' BY EXPERT

**The insistence by the director of the Australian Signals Directorate, Mike Burgess, that there is no separation between the 5G core and the radio access network has been termed as "disappointing" by a networking expert, who asks for evidence for the claim.**

Dr Mark Gregory of RMIT University told *CommsWire* that a 5G edge separation between the core and the radio network had been [demonstrated](#) in New Zealand by the telco Spark, using Cisco evolved packet core and Huawei 5G NR and radio access network in 2018.



"Many nations have decided to utilise 5G equipment from one or more companies separated core and radio access network solutions," Gregory (left) said.

"There is flexibility afforded in the ITU standards for separation at the 5G edge if a network operator wishes to do so."

Burgess was quoted by *The Australian* in October last year [as saying](#): "The distinction between core and edge collapses in 5G networks.

"That means that a potential threat anywhere in the network will be a threat to the whole network."

When *CommsWire* queried this statement, the ASD [claimed](#) that Burgess was referring to "mature" and "far more capable 5G network architectures". This has also been found to be incorrect as was pointed out in [a 3GPP panel discussion](#) in September last year.

But Burgess is not the only one to keep parroting this falsehood. More recently, Nigel Phair director of UNSW Canberra Cyber, [made the same claim](#).

And ex-Prime Minister Malcolm Turnbull [followed suit](#) during a speech in London last week. "Network function virtualisation and mobile edge computing means processing, or intelligence, will be distributed throughout the network, and the old distinction between the core and the Radio Access Network (or edge) will no longer be applicable," he said.

Dr Gregory said the media should encourage those claiming that there is no 5G edge separation mechanism to provide evidence so that a public review could be carried out.

"An argument based on how vendors may or may not implement 5G network solutions is not justification to make claims on how the 5G edge can be implemented," he said.

**Sam Varghese**



# John de Ridder

Telecommunications Economist

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## ALCATEL GROWS AS AUSTRALIAN SMARTPHONE SHIPMENTS PLUNGE

**Australia's smartphone shipments fell by 9% in 2018 compared to the previous calendar year, the analyst firm IDC said, adding that this was the largest decline seen so far. But Alcatel claims it bucked this trend, selling almost a million devices.**

Smartphone shipments were just below 8.2 million for the year, IDC said.

It said there had been fluctuations in recent years with data showing a 6.6% year-on-year fall in shipments in 2016, followed by growth of 6.5% in 2017, mainly due to iPhone X.

Alcatel said its success had been due to the affordable, high-quality options it offered.



“An overall lack of innovation and improvement in smartphones in recent years is extending replacement cycles,” said John Riga, market analyst for mobile phones at IDC.

“This is in line with the trend seen in other developed markets, where many consumers are holding off on upgrading to the latest

device.

“At a local level, economic factors also drove this decline, with falling consumer sentiment indicating lower demand and minimal real wage growth limiting household disposable income.”

However, Alcatel vice-president and regional managing director for South East Asia & Pacific, Sam Skontos, said the fall in sales had nothing to do with innovation and everything to do with sky-high pricing.

“The pricing on smartphone devices is simply getting ridiculous and consumers are now clearly seeing that highly-featured phones do not need to cost the same as a large screen 4K television or a round-the-world airfare,” he said.

“This is only reinforced by the fact that while the market overall decreased significantly, we experienced a record year off the back of bringing affordable innovation to Australians.”

Alcatel is recognised by IDC as the number three smartphone vendor by volume in the Australian market, a position it has held 3-1/2 years, or 14 consecutive quarters.

**Sam Varghese**

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# EQUINIX TO INVEST \$118M IN MELBOURNE BUSINESS EXCHANGE

**Global data centre operator Equinix is to make an initial investment of US\$84 million (approx A\$118m) to build a new International Business Exchange (IBX) data centre in Melbourne to support what it says is the growing demand for digital transformation.**

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The first phase of the IBX data centre, to be named ME2, is set to open in Q3 2019 with an initial capacity of 1,000 cabinets.



Since entering the Australian market in 2015, Equinix says it has built a mature ecosystem in Melbourne of over 200 customers across multiple industries, with the network effect creating increased need for further capacity to support growing demand for digital transformation.

In addition to providing geographic redundancy solutions for customers currently residing in Equinix facilities across Australia, Equinix says the ME2 IBX will offer space to new customers wanting to benefit from the network effect of its rich interconnection ecosystem.

The ME2 IBX will be located in Port Melbourne, approximately six kilometres from the Melbourne CBD, and will host a colocation space of more than 29,300 square feet (2,730 square metres) at completion of phase 1 and more than 88,000 square feet (8,190 square metres) when fully built.

Equinix says ME2 will offer a wide range of interconnection options, including Equinix Cloud Exchange Fabric, which allows businesses to set up on-demand and secure connections to more than 1,400 participants across all regions around the world.

“ECX Fabric provides the largest cloud on-ramp to more than 265 cloud service providers (CSP) in Australia, including Alibaba, Amazon AWS, Google Cloud, Microsoft Azure, SAP Cloud, Oracle, SoftLayer and other local providers,” Equinix said.

ME2 will be located adjacent to ME1 with direct physical access between the buildings via a secure link bridge, and Equinix says the proximity of ME2 with ME1 allows for seamless expansion of services for existing Equinix ME1 ecosystem members.

And Equinix says the ME2 IBX will also benefit from Equinix Metro Connect connectivity to the ME4 IBX in Derrimut, providing customers with the ability to support geographical diversity and redundancy as needed to support full business continuity within the state.

As the only location in Victoria with direct access to the two largest peering points and the Australia Singapore Cable (ASC) access point, the Equinix says the Melbourne facilities offer strong network connectivity with a broad range of over 50 network service providers (NSP).

According to Equinix, Melbourne is increasingly experiencing enterprise transformation.

The city is predicted to have a digital economy worth more than AUD\$50.8 billion by 2020.

**Peter Dinham**

# US THREATENS GERMANY: USING HUAWEI WILL CUT INFO SHARING

**The United States Government has threatened to withhold intelligence from Germany if Berlin uses equipment from Chinese telecommunications vendor Huawei Technologies or other Chinese firms in its 5G networks.**

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*The Wall Street Journal* [reported](#) on Monday that the American envoy to Germany, Richard Grenell, had written to German Economy Minister Peter Altmeier, saying that if any Chinese vendors were allowed to supply equipment for the 5G networks in Germany, then the US would cut down on its intelligence co-operation with Berlin.

The newspaper said it had seen the letter, which was dated 8 March.

The news comes a few days after Germany announced that it was tightening security criteria for all telecommunications vendors who wish to supply gear for its 5G networks.

As *CommsWire* [reported](#), the German rules, outlined by its Federal Network Agency (Bundesnetzagentur or BNetzA), said that equipment for all critical communications networks should be vetted by the country's cyber security watchdog, the Federal Office for Information Security (BSI), and undergo security checks by a BSI-approved testing body.

Berlin has been [under pressure](#) from the US for some time now to ban Huawei equipment from its 5G rollout. Washington has been pushing allies to avoid the Chinese vendor's gear.

Only [Australia](#) and [New Zealand](#) have so far fallen in line with the wishes of the US. Huawei [sued](#) the US last Thursday, seeking to be reinstated as a telco supplier in the country.

The *WSJ* said that Grenell's letter said secure communications were needed for sharing defence and intelligence secrets and claimed that companies like Huawei and ZTE could compromise security.

The envoy was also said to have claimed that the code in 5G equipment would need frequent updates and was complicated to the extent that the insertion of backdoors or malware could not be ruled out. No indication was given of the technical source from which Grenell had derived this information.

Some officials in other countries have claimed that there is no separation between the 5G core and radio access network and that this was a reason to ban Chinese equipment.

This claim has been shown to be false with a 5G edge separation between the core and the radio network [demonstrated](#) in New Zealand in 2018 by the telco Spark, using Cisco evolved packet core and Huawei 5G NR and radio access network.

*CommsWire* has contacted Huawei for comment.

**Sam Varghese**

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