

CommsWire

Essential daily reading for the communications industry executive

An iTWire publication

www.itwire.com

Editor: Stan Beer

Friday 12 April 2019

CHINA SLAMS AUSTRALIAN DOUBLE STANDARDS



CommsWire (ISSN 2202-4549) is published by iTWire Pty Ltd. 18 Lansdown St, Hampton, Vic, 3188

CommsWire/Telecommunications Editor: Stan Beer

Staff writers: Peter Dinham, Alex Zaharov-Reutt, Sam Varghese. Columnist: John de Ridder

Advertising: CEO and Editor in Chief, Andrew Matler: andrew.matler@itwire.com • Tel: 0412 390 000

CHINA SLAMS AUSTRALIAN 'DOUBLE STANDARDS' CYBER SECURITY

China has taken a swipe at Australia over its encryption law, saying it was "baffling" how Canberra could on the one hand claim that other countries posed security threats, while on the other hand engage in acts that endangered the cyber security of other nations.

Foreign Ministry spokesman Lu Kang made the statement in response to a question during [a daily press briefing](#) in Beijing on Wednesday.



Lu Kang at recent media briefing

The query touched on the fact that many technology firms, including Google, Apple and Amazon, had voiced serious concerns about the encryption law, adding:

"Do you have any comments?"

"Earlier, the Australian side said that they didn't want anyone in their communications networks that have an obligation to another government, and banned Huawei from its 5G networks on this ground.

"Do you think Australia is applying [a] double standard here?"

In response, Lu said: "China is closely following the relevant move.

"Forcing companies to install backdoors through legislation means protecting one's own security and interests at the expense of other countries' security and their people's privacy.

The Australian encryption law, officially known as the Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018, was [passed](#) on 6 December.

"Such practice will severely impact the business environment and international cooperation in the telecommunications industry.

"As we have seen, those in the industry have raised serious concerns," Lu added.

For nearly two years, the US has been pushing countries it considers allies to avoid using equipment from Chinese companies, Huawei foremost, in 5G networks.

But Washington has produced no proof to back up its claims that these products could be used to spy for China.

Only [Australia](#) and [New Zealand](#) have fallen in line with Washington's dictates, but Wellington has [indicated](#) that the initial refusal for telco Spark to use Huawei gear is not the end of the matter.

That stance was [reiterated](#) by Prime Minister Jacinda Ardern during a one-day China visit in April. Huawei [sued the US](#) on 7 March, seeking to be reinstated as a telco supplier in the country.

On Wednesday, Spark Corporate Relations lead Andrew Pirie [told CommsWire](#) that the company was still working through what possible mitigations it might be able to provide to address the concerns raised by the General Communications Security Bureau, the country's main spy agency, over its use of Huawei 5G equipment.

Said Lu: "It is baffling how the country concerned could on the one hand whip up 'security threats' posed by other countries or companies with trumped-up charges under the facade of cyber security and engage in acts that endanger cyber security themselves on the other.

"I wonder what the Australian Government will say about this just as you do."

He said China attached "high importance to, and is committed to, safeguarding cyber security".

"We will continue to take an active part in international co-operation in this field and work with all sides for a peaceful, secure, open, cooperative and orderly cyber space.

"At the same time, China again urges relevant countries to provide a fair, just and non-discriminatory business environment for companies of all countries, including China," Lu said.

Sam Varghese

NZ TELCO SPARK FINED \$675K FOR MISLEADING CONSUMERS

New Zealand's largest telco Spark has been hit with a fine of \$675,000 for making false or misleading representations when making a \$100 credit offer to new customers.

The telco was fined by the Auckland District Court after pleaded guilty and convicted in relation to nine charges under the Fair Trading Act for conduct that occurred during the period 2 June 2014 to 7 December 2017.

Eight of the charges relate to misrepresentations Spark made in customer invoices.

Spark's terms and conditions said charges would stop 30 days after customers gave notice to terminate their contracts. However, final bills sent to nearly 72,000 customers included charges for services beyond the 30 day termination period.

"Customers rely on companies to invoice them accurately. Overcharging even a small amount to individual customers can result in businesses receiving large sums of money that they are not entitled to. In this instance customers overpaid \$6.6 million, averaging an overcharge of \$90 per person," said Commerce Commission commissioner Anna Rawlings.

"Spark failed to take necessary steps to ensure its invoices were accurate. More than seven thousand customers still remain out of pocket despite refunds being made to a large number of others who were affected."

The other charge relates to promotional letters sent to prospective Spark customers, offering a \$100 account credit if they joined Spark and subscribed to a particular broadband plan.

Commissioner Rawlings said the letters gave the impression that new customers could sign up online to receive the credit, when they could not. In fact, the credit would only be paid if customers telephoned Spark to sign up for the plan.

"It is vital that businesses clearly disclose the terms of any offers made when marketing their products," the Commissioner said.

In sentencing in the Auckland District Court Judge Russell Collins said in relation to Spark's misrepresentations in customer invoices, "It is commercial offending, and commercial offending must be met with commercial penalties."

Judge Collins said he accepted the conduct regarding the \$100 credit was, "a material omission, and the offending involved serious misrepresentation".

In addition to today's sentencing, the Commission has issued Spark with a warning relating to its failure to correctly apply a \$300 welcome credit to the accounts of eligible customers.

Affected customers were issued with invoices for services where payment was not due because Spark ought to have applied the promised credit to the customers' accounts.

Peter Dinham



John de Ridder

Telecommunications Economist

strategic management • wholesale and retail pricing • regulatory issues

[click here to go to www.deridder.com.au](http://www.deridder.com.au)

CA SEEKS STRONGER MOBILE PREMIUM SERVICES CODE FEEDBACK

Industry lobby group the Communications Alliance wants changes to the telecoms code, which will strengthen consumer protections for telecommunications users.

A revised Mobile Premium Services Code (MPS) for the telecommunications sector designed to further strengthen protections in the area of mobile premium services and premium direct billing has just been released by the Communications Alliance.

The CA, seeking public comment on the code, wants to see stronger protection under the code for mobile premium services and premium direct billing—services that consumers can purchase from third parties and that are billed through their telecoms provider.

Key changes to the MPS Code include:

- the inclusion of premium direct billing services in all rules relating to advertising, information provision and supply of the service, complaint handling and mechanisms to unsubscribe and opt-out of such services
- a new default monthly spend limit of \$50 for all new customers to assist consumers with their spend management and to avoid the possibility of ‘bill shock’, while still allowing for a limited number of one-off purchases and charitable giving via SMS. Existing and new customers continue to have the ability to set their own spend limits for such purchases
- an obligation for telecoms providers that include third party charges on a customer’s bill to address all enquiries and resolve all complaints they receive relating to those charges, directly with their customer; and
- strengthened obligations to ensure consumers are informed on how to bar premium services.

Communications Alliance CEO, John Stanton said: “the 2019 revision of the MPS Code is yet another step taken by our industry to strengthen consumer safeguards and to improve the experience for consumers who want to take advantage of the large variety of services that the communications industry has to offer.”

Following the public comment period – which closes on 15 May 2019 – a MPS Code Working Committee will review all comments and revise the draft as appropriate.

Subsequently, Communications Alliance will submit the revised Code to the Australian Communications and Media Authority (ACMA) for consideration for registration.

In the meantime, the [current MPS Code](#) remains in force until the revised Code is registered by the ACMA.

To view the draft revised Code and information on submitting comments [click here](#).

Peter Dinham

MAXIMISE YOUR TELCO BUSINESS
With an award winning BSS and cloud managed services

FIND OUT MORE 

OPTUS MOBILE BLACK SPOT PROGRAM CONTINUES APACE

Optus continued rollout of its black spot program with a new tower switched on in the NSW town of Curlewis to give improved mobile coverage across the Liverpool Plains area.

Optus says the new tower will address a known black spot identified by the local community, providing them with dedicated mobile reception to make and receive calls, texts and access mobile data.

Optus' Territory general manager for North West New South Wales, Chris Simon, said, "This will be the first time Curlewis has had dedicated Optus mobile coverage, providing real choice and competition for residents and businesses in the area.



"The site will not only provide dedicated coverage for those in Curlewis, but also enhance coverage for those who travel along Kamilaroi Highway every day."

"The tower will be located off McCormack Lane on the recreation grounds in Curlewis, a much-needed addition to the previous tower serving the area on Porky Hill."

Simon said the new tower, along with Optus' recent investment in the Tamworth region, "showcases that

Optus is really investing in improving the mobile network across the Liverpool Plains and New England region, providing great coverage, choice and value to our customers".

"Anyone who is looking for a new mobile phone plan or an awesome value broadband internet, home phone and TV entertainment package, come down to the Optus stores in Tamworth at Tamworth Shoppingworld or Yes Optus on Peel Street."

Optus has said it would continue to invest in its network to improve coverage, reliability and speed across its Australian mobile network.

Last week, Optus switched on a tower in Pomonal in regional Victoria as part of the mobile black spot program, providing dedicated mobile reception to more than 300 residents in the town and along both the Ararat-Halls Gap Road and Pomonal Road for the first time.

Peter Dinham

SMARTPHONES WITH DEDICATED AI CHIPS 75% OF SALES BY 2022

The sales of smartphones that use artificial intelligence for processing is forecast to increase from 190 million units in 2018 to 1.25 billion units in 2022, which is more than three-fourths of the total that will ship that year.

Analyst firm Counterpoint Research said one of the main reasons behind this forecast was the expected launch of several Android smartphones that used Qualcomm's 855 system-on-a-chip in 2019 and subsequent years.



The company said that while smartphone vendors had been using AI capabilities for some time, the processing had been done either in the cloud or else distributed across the various processors - CPUs, GPUs or digital signal processors.

At present, AI was being used mostly for camera-related applications like facial recognition and image enhancement. This was expected to spread to other applications over the next two years.

“We see voice assistants as one of the first applications to benefit from device-based processing,” said Gareth Owen, associate research director at Counterpoint Research.

“Today, most voice processing in smartphones is cloud-based. However, voice assistants will be able to process commands quicker and respond faster with on-device processing. It also resolves privacy concerns.”

Counterpoint said Apple and Huawei were the first two smartphone companies to include dedicated AI processors - the A11 and the Kirin 970 respectively - in their flagship devices launched in September 2017.

Two years later, virtually all SoC vendors were doing so, with Qualcomm, for example, offering an AI Tensor Accelerator in the Snapdragon 855's Hexagon DSP.

“With Qualcomm joining the fray and incorporating hardware-based AI acceleration in its latest Snapdragon SoC for the first time, industry-wide adoption of AI silicon in smartphones is inevitable,” said Peter Richardson, research director at Counterpoint Research.

“And with Qualcomm keen to extend machine learning capabilities into its lower cost chips, plus the availability of AI SoCs for mid-range phones from other vendors, this trend will quickly extend to mid-range and even low-range smartphones.”

Sam Varghese

Not your copy of CommsWire? If so please join up!

All material on CommsWire is copyright and must not be reproduced or forwarded to others.

**If you have a trial subscription that you are finding valuable please subscribe formally via subscriptions@itwire.com
Subscriptions are very affordable for individuals, corporate and small teams/SMB. Special deals and discounts for PR firms**

For editorial, contact, Stan Beer, CommsWire Editor: 0418 516 720 | stan.beer@itwire.com

To subscribe or advertise contact, Andrew Matler, CEO: 0412 390 000 | andrew.matler@itwire.com