

# Computer Daily News

Wednesday, July 22, 2009  
Issue No. 5147

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

## Avaya set to topple Cisco as No 1 Down Under after grabbing Nortel enterprise biz

**S**YDNEY and TORONTO – Nortel has announced the sale of its enterprise solutions business to Avaya for US\$475 million. The deal could see Avaya displace Cisco as No 1 in the enterprise telephony equipment market in Australia, according to one analyst.

The announcement follows Nortel's sale of its LTE and CDMA assets to Nokia Siemens Network last month – but Avaya's offer is a so-called "stalking horse" deal that could yet be overtaken by a later bid.



Nortel has also indicated that it will look to exit the LG-Nortel venture, which currently services the SME market.

The enterprise sale, if it goes through could have major implications for the Australian market, according to Tel-syte analyst Gary Tsang. "The acquisition will provide Avaya with a great opportunity to become the market leader in 2009 for the Australian enterprise telephony market, subject to Avaya being able to sustain Nortel's and its own shipment and sales level," he said.

"In 2008, Cisco had close to a quarter of the market,

*Continued on page 2*

## A-Pac PC market growing again

**SINGAPORE** – After two quarters of declines, the Asia/Pacific PC market grew 19 percent sequentially and 8 percent year-on-year in the second quarter to reach 19.9 million units, IDC reports.

The report fleshes out the regional situation follow-

ing last week's global Q2 PC market report by IDC (CDN, Friday). The A-Pac result (which excludes Japan) was 6 percent ahead of forecasts, IDC says.

"What a relief that the market was no longer in the red this quarter," said Singapore-based Bryan Ma, director of Asia/Pacific personal systems research at IDC. "Granted, economic conditions continued to weigh down commercial buying in most countries, but China helped to save the region.

"Ongoing consumer interest in portable PCs will continue to be the key moving forward, especially as both low-cost mini-notebooks and new ultra-thin notebooks help to drive the market into next year."

Portable PCs were once again a major driver, particularly in South-East Asia. And IDC notes that swine flu has not been the showstopper that SARS was.

Lenovo remained the region's leader with an 18.5 percent market share, up 7.3pc year-on-year. H-P was second with 16.2pc, up 25pc; Dell was third with 8.4pc (flat); and Acer rounded out the top four with 7.5pc, up 12pc.



## Analysts find hidden billions for ICT in Aust. Defence projects

**CANBERRA** – The Rudd Government's new \$60 billion Defence Capability Plan 2009, released at the beginning of July, offers huge opportunities for ICT companies, Government IT tendering newsletter and analyst group Intermedium estimates.

The capability paper augments the recently released – and better known – Defence White Paper. Intermedium notes that all 110 projects listed include an ICT component – and 62 percent of these have either a high or very high ICT component, Intermedium estimates.

The newsletter says it has identified 25 high-intensity ICT projects – and it has instanced four upcoming projects alone that collectively could involve as much as \$1.6 billion. They are:

● Improved logistics information systems, the full phase

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being worth an estimated \$100 million to \$500 million, with decisions due to be made in 2011-12 or 2012-13.

● **ADF Joint Command support environment**, worth an estimated \$100-500 million and with decisions to be made in 2009-10 or 2010-11.

● **An Information Environment** project worth an estimated \$100 million, to be decided in 2010-11 or 2011-12.

● **A project for geospatial information infrastructure services**. The full phase is worth an estimated \$100-500 million, with decisions to be made in 2012-13 and beyond.

Intermedium will hold a Defence White Paper And Capability Plan briefing on Thursday in Canberra at the Hotel Realm.

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## HN lifts sales, misses target

SYDNEY – Australia's big computer and electronics retailer **Harvey Norman** – which has stores in New Zealand, Slovenia and Ireland as well as Australia – increased sales 3.8 percent to \$6.03 billion in the year to June 30. Like-for-like sales were up by 1.4 percent.

Fourth quarter sales from the franchised Harvey Norman stores were up 4.5 percent at \$1.49 billion – Australian results were up 6.7 percent

While this was a positive result, some analysts wanted more from the big retailer and remained concerned by the continued pressure on profit margins brought about discounting to attract customers.

The result reflects official retail sales data showing Australian consumers are still spending, with the **Reserve Bank** figures showing a seven percent rise in retail sales since September last year. The bank holds this out as one reason for its optimism that the economy is holding up well.

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## Avaya grabs Nortel biz

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but if Avaya is able to integrate the Nortel business efficiently and retain channels of distribution ... (it) can credibly become the market leader with close to 30 percent market share by the end of 2010," Tsang said.

"In the all-important IP telephony segment, Avaya will definitely challenge long-time market leader Cisco for the number one spot in the Australian market."

However another analyst group, **Ovum**, warns that Avaya's acquisition is not yet a done deal. Other qualified bidders such as **Aspect** or **Siemens** may submit higher offers in the auction period slated to begin in August. There's also the possibility that Nortel's enterprise unit will be broken up by regions and sold to the highest bidders, Ovum says.

Ovum says the primary driver behind Avaya's interest in Nortel is channel expansion and a renewed play for mid-market customers. But it says the acquisition could prove a mixed bag for Avaya, as it will have to win over Nortel's depleted number of channel partners, many of whom are dispirited, one by one – and eventually faces replacing much of the Nortel technology with its own.

Shares in Harvey Norman fell 6.1 per cent to \$3.26 in a positive market.

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## Telstra fee riles customers

SYDNEY – **Telstra** has stirred the pot, making consumers hopping mad with its latest campaign to change its fee payment options. Radio talkback shows yesterday overflowed with indignant consumers threatening to move to **Optus** or other carriers.

The giant telco had announced that it would prefer customers not to pay their accounts in person and anyone who does so from September 14, will be charged a \$2.20 "administration fee" for each bill.

"Payment sent by mail or made in person at a **Telstra Shop** or **Australia Post**, unless an exemption applies, will pay \$2.20," says Telstra.

An existing credit card payment processing fee will increase to one percent of the payment amount for **MasterCard**, **Visa** and **American Express** cards, and to two percent for **Diners Club**, plus applicable GST.

Telstra maintains the fees are consistent with industry practice. Under the changes, "bill payment methods that incur lower costs for Telstra remain fee-free to all customers, while some bill payment methods that incur higher costs will incur the new or increased fees," says the company.

However, Telstra was quick to add that pensioner and disability program customers won't have to pay the fees.

All customers can pay bills without penalty via direct bank deposits or BPay.

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## Billions cuts broadband price

ADELAIDE – Network device manufacturer **Billion** has slashed \$150 from the retail price of its BiPac 7800N ADSL2+ router which supports fibre-to-the-home services planned for the National Broadband Network (NBN).

Through its Australian master distributor **PC Range**, Billion says it has cut the recommended retail price of the 7800N from \$449 to \$299.

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## MS offers unified comms

SYDNEY – Global communications company **BT** says it has inked a deal to market and deliver **Microsoft** Online Services to business customers, including integrated cloud computing and collaboration services.

BT says its clients will have access to Microsoft's Business Productivity Online Suite, including Exchange Online, SharePoint Online, Office Communications Online and Office Live Meeting.

By integrating Microsoft's product suite into its 21CN software-driven network, BT says it can provide customers with a fully-hosted managed service.

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## Check it again, SAM

SYDNEY— Jumping on recent reports of organisations fined for using unlicensed software, **FrontRange Solutions** is promoting an online "SAM Analyzer" test to help

businesses self-assess their current approach to software asset management (SAM).

The offering provides a 10-question test which examines the organisation's approach to software management factors, such as having a complete audit, centralised procurement and how applications are deployed.

According to the **Business Software Alliance (BSA)**, in 2008 British businesses had to pay 1.6 million pounds in compensation and to ensure compliance. And there have been several recent cases in Australia.

FrontRange says under-licensing can also cause security risks as unlicensed software is often not automatically equipped with all security-relevant features and updates.

The test is available at: [www.frontrange.com/analyzer](http://www.frontrange.com/analyzer).

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## Veteran McCabe moves to KPMG

SYDNEY – Analyst industry stalwart and founder of **S2 Intelligence**, **Bruce McCabe**, has joined consultancy **KPMG**, offering to strengthen the company's IT advisory practice.

KPMG is understood to be among the groups bidding to become "lead adviser" to the Government on the **National Broadband Network** rollout.

McCabe's independent technology think tank, **S2 Intelligence**, has been providing management consulting and advising on all aspects of e-business, e-government and digital innovation.

He has also published more than 300 essays, columns and research papers, and made more than 400 presentations.

"I will also continue making links between science and business, and promoting Australian computer science wherever I can, and this move should lead to bigger opportunities to do those things, too," says McCabe.

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## People, people

● Visual display maker **ViewSonic Australia** has appointed **Ray Clarke** as business development manager. He will focus on developing ViewSonic in the consumer and retail space.

● **FirstClick Consulting** has named **Mark Armstrong** to head the company's expansion into the Melbourne market. It has also appointed **Stuart Bartram** as head of business development, based in Sydney.

● **Telstra** group investment manager **Ria Lucas** has been elected international vice president of **ISACA**, a US-based non-profit organisation serving more than 86,000 IT governance, assurance and security professionals in 160 countries.

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## O4 provides choc sweetener

SYDNEY – Mobile salesforce company **O4 Corporation** has signed up Australian chocolate maker **Cadbury** for its retail software.

O4 says its system has been rolled-out in record time to some 200 Cadbury territory managers throughout Australia, enabling them to better manage sales, order-taking and new product launches, and to provide office-based managers with access to real-time data from the field.

## INSIDE COMPUTER DAILY NEWS

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*Computer Daily News* is produced daily using Lexmark printing solutions and faxed throughout Australia on Hewlett-Packard hardware

## US causes one in six spams

SYDNEY – Australia has again escaped being named in IT security firm Sophos's "Dirty Dozen" listing of the worst spam-relaying countries.

Sophos's latest listing covers the second quarter, ended June 30. It says the USA continued to relay more spam than

any other country. The nation's 15.6 per cent contribution to global spam traffic means that one in six junk emails were sent through compromised US computers.

Others in the Dirty Dozen are: Brazil, Turkey, India, South Korea, Poland, China, including Hong Kong, Spain, Russia, Italy, Argentina and Vietnam.

"**Barack Obama's** recent speech on cybersecurity emphasised the threat posed by overseas criminals and enemy states, but these figures prove that there is a significant problem in his own backyard," says **Graham Cluley**, senior technology consultant for Sophos.

"If America could clean up its compromised PCs it would be a considerable benefit to everyone around the world who uses the Net," he says.

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## Yahoo launches new face

SAN FRANCISCO – **Yahoo** is tipped this week to take the wraps off a new homepage – months ahead of previous plans.

Dubbed **Metro**, the project to overhaul Yahoo's flagship site had begun under the stewardship of former CEO, **Jerry Yang** and was slated for completion by the end of the year.

Tipped as the biggest change in the new design is a left-hand menu users can customise with links to dozens of potential third-party sites, such as micro-blogging service **Twitter** and **Google's Gmail**.

Yahoo will pre-populate the menu with some applications and recommend other ones users should add, based on their browsing behaviour, according to *Wall Street Journal* sources.

The new design is expected to be available as an option

