David Spence is Chief Executive Officer and a Director of Unwired Group Pty Ltd, a wireless carrier offering fixed broadband services in Sydney and Melbourne that is planning to build a national mobile wireless network.

Unwired Ltd was acquired in January 2008 by Network Investment Holdings Pty Ltd (NIH), a wholly owned subsidiary of Seven Network Ltd whose Executive Chairman is Kerry Stokes.

Spence, who is a chartered accountant by profession, has held an impressive array of management, chief executive and board positions in publishing, retail and ICT companies since he arrived in Sydney from South Africa in early 1989.

After initial management positions at Australian Consolidated Press Ltd (1989–92) he was appointed Chief Financial Officer at Freedom Furniture. In 1995, he was to become Managing Director of OzEmail Pty Ltd, a start-up Internet service provider that offered Internet access and IP telephony to corporate and residential customers in Australia and New Zealand.

Following OzEmail’s successful float on the US Nasdaq in 1996, Spence became President and Chief Operating Officer of OzEmail Ltd, and when the company was bought by MCI WorldCom in 1999 he was appointed Chief Executive Officer until his resignation in early 2000.

From 2000 until 2002, he served as Executive Chairman or Director on the boards of various ICT start-ups: WebCentral PL, Chaos Music PL, Vertical Markets PL, Access 1 Ltd, emitch Ltd, and Commander Communications Ltd. In 2003, he took on the position of Chief Financial Officer of OPSM until it was bought by Luxottica Corp later that year.

His next move was as Executive Director at Unwired Ltd in January 2004 soon after the company had listed on the Australian Stock Exchange.

Spence holds a Bachelor of Commerce degree and postgraduate qualifications from Natal and Cape Town Universities in South Africa. He is a Director and former Chairman of the Internet Industry Association.

Freelance journalist Liz Fell interviewed Spence for the TJA in mid-April at Unwired’s headquarters in the Sydney CBD.

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TJA: In early 1989 you immigrated from South Africa to Australia. Why did you leave the country where you were born and grew up to come here?

Spence: Well, my wife grew up in Uganda and her family became refugees when she was about 10 years old. She was quite political in South Africa and not happy with the regime in the early ’80s so she was insisting we find somewhere else. We had just had our first child, so I said, ‘Well, if we’re going to go anywhere else I would rather go where they speak English and play rugby and do all the same sort of things.’
TJA: I read somewhere that you decided to come after watching an America’s Cup sailing race on TV when Bob Hawke made an appearance to celebrate the Australian win!

Spence: That’s right. There was Bob Hawke in his multicoloured jacket, and after a few drinks he said something like, ‘Any boss that doesn’t give someone the day off today is a bum’. I thought, ‘That’s my place!’ And I’ve done nothing but work hard since getting here!

TJA: Early in your career as a chartered accountant in South Africa, you worked at Deloittes and then as South African Director for Faber-Castell from 1981 till 1989. Were you involved at any stage with what could loosely be called ICT projects?

Spence: I had done a course where we used to have batches of cards that we’d run though card-reading machines to make a program at university but that was the total limit of my knowledge of computers at that stage. My focus in those years was sailing, and my job and everything else came second to that!

TJA: Did you have a particular position waiting for you in Sydney?

Spence: No. It took six months before getting a full time job.

TJA: And you landed a job as General Manager, Computer Publications, at Packer’s Australian Consolidated Press (ACP), in charge of titles like Australian Personal Computer, PC Week and PC Use.
Spence: That’s right. That was my first real access to guys that were keen on new technology.

TJA: Was it your accountancy that helped you get that job?

Spence: Yes. They just needed someone with accounting experience to go into a small associated business and fix it up. I didn’t think when I got it that they were thinking I would be there for long.

TJA: Yet you moved on to become Assistant General Manager for the ACP Group. Who was the General Manager at that stage?

Spence: I worked very closely with John Motion who was the General Manager, Richard Walsh who was the publisher and, of course, Trevor Kennedy who was the Managing Director at that time of Consolidated Press, the holding company of ACP Publications.

TJA: Was that your first experience of what is now called the ‘content’ business?

Spence: Correct. I still think of being involved in the publishing business as one of the best times and the best jobs I’ve had. I loved it.

TJA: Why did you leave?

Spence: Well, I wasn’t paid a lot of money.

TJA: Even when you became Assistant General Manager?

Spence: Yes, even then I wasn’t a highly paid ACP executive. You must remember these were the days when Kerry (Packer) had had his heart attack and Al ‘chainsaw’ Dunlap was running Consolidated Press. I was doing a lot of cleaning up, and I could just see that, at the end of the day, my job would go. I thought I’d get out before he got to me, and I was offered a good package to join Chris Corrigan’s group. Corrigan had just acquired Freedom Furniture and I had a bit of retailing experience.

TJA: That ACP experience must have been valuable because it was there that I assume you met the people you were to join at OzEmail: Sean Howard, Trevor Kennedy, and Malcolm Turnbull?

Spence: Yes. We actually started OzEmail at Computer Publications. It was called Oz-E-Mail and it was a bulletin board type service. When ACP bought Sean out of Computer Publications, he went off on his own, and for three years he battled to get the money to build up this little business. It was all about electronically connecting people and transferring data but it was not connected to the Internet in those days.

TJA: When you joined OzEmail as Managing Director in 1995 did you know where the company was going?
Spence: Yes. Actually, we knew the way to go in 1994. The hyphens were taken out of Oz-E-Mail, it was re-launched as OzEmail an Internet business, and I got there in ’95.

TJA. Your time at OzEmail must have been exciting. I interviewed Malcolm Turnbull when he was Chairman and he was really chuffed about doing an initial public offering on the Nasdaq in ‘96. Was that a challenging time?

Spence: Absolutely. It soon became clear that to keep up the growth and to be the number one in the early days of the Internet Service Provider business, but mainly just to hang onto the growth, we’d need a lot of capital. So Malcolm and Trevor said, ‘You’d better go and find it’. We went to the Australian Stock Exchange who said it was no use listing there because we didn’t have three years of track record. In those days you needed three years of profits and that sort of thing. So we were the first Australian company to go direct to the US and list on Nasdaq. I must say Malcolm and I had a hair-raising couple of weeks because the market was bouncing all over the place during the roadshow, but we eventually got it away.

TJA: And were US investors more demanding in their scrutiny of your results?

Spence: Yes. They did a lot of due diligence before we went on the roadshow, and while were doing all this work trying to list, it was important that we maintained the growth rates in the company. It was a pretty tough time, but great fun.

TJA: Then you became President after the listing!

Spence: Yes. Sean came back into the company to be the CEO, Malcolm became Chairman, and I became President and Chief Operating Officer.

TJA: Turnbull claimed about 12 months after the float that OzEmail had twice as many customers as Telstra.

Spence: In the Internet space.

TJA: Yes. And the margins were, to quote him, ‘gigantic’ for the voice and fax services you were offering via the Internet. Indeed, he was really enthusiastic and proud of the quality of a recent three-hour phone conference he had with US clients!

Spence: Yes. But the core business was the Internet access, and the extra money which had a high margin was coming out of that. You couldn’t do one without the other. And there was only a brief time where it was really flourishing for us.

TJA: Perhaps because, among other things, your telephony bypassed the agreed international accounting rates that other carriers followed?

Spence: Oh, we’d forgotten a lot of things like that! (laughter). It was a much more difficult business once it really got going than I think we realised. We were growing so fast. When I got
there with Sean we were about eight staff; one month later, we were 28; three years later we were 1000. And we'd launched 27 little businesses in those three years, everything from SportsWatch to StockWatch to LawNet to Web Wide Media to Chaos Music. They just poured out.

**TJA:** It sounds as if it may have been a relief when MCI WorldCom came along with an offer of $520 million in early 1999?

**Spence:** Well, we were growing but we could see that the future was broadband and that meant relying on Telstra’s copper, basically reselling Telstra’s copper. That was not a business we saw for ourselves. Sean, who is an extremely smart fellow, just said, ‘This is a problem for us. Where do we go?’

**TJA:** I assume that, like Sean, you gained from selling your OzEmail shares?

**Spence:** Yes. We owe Sean a lot!

**TJA:** Still, MCI WorldCom also offered shares when you agreed to stay on?

**Spence:** Yes, WorldCom options and $70 was the option strike price. There was a huge amount of pressure for me to stay because I wanted to go, and so they said, ‘You can run this, and you can run this new company of ours called UUNet, and here’s all these options.’ Of course, from the day I got the options they just slid every day.

**TJA:** And they went from $70 to zero effectively as MCI Worldcom went under?

**Spence:** That’s right.

**TJA:** Meanwhile, you were now Chief Executive Officer of both OzEmail and UUNet?

**Spence:** Yes. The retail business became OzEmail and the corporate business and infrastructure became UUNet. They also said, ‘You’re the CEO, and you carry on running this business.’ But on the second day, a guy turned up at my office and said, ‘You don’t have to worry any more about premises. I’m the global manager for office premises for Worldcom. That’s a head office function. I’ll sort you out.’ Great. Another day passed and the global HR manager turned up and said, ‘You don’t have to worry about any more about HR. That’s a head office function.’ And so it went on: technology, the network, marketing, everything. In less than two months, I was a salesperson only. I hung out for another six months or so before I said, ‘That’s it.’ We had become the branch of an international group and while really I might be called the CEO, in fact I was a branch manager.

**TJA:** And OzEmail was put up for sale?

**Spence:** Yes, straight away they said, ‘Keep UUNet and try and sell OzEmail’, so I tried.
TJA: And that meant negotiating with, among others, News Corp and Telstra?

Spence: Yes. I negotiated with News and Telstra and this funny crowd from North Sydney, eisa, whose CEO, Damien Brady, came and offered me a $10 million deposit. I was sitting at a cafe just near here when I got a phone call and he offered $10 million by cheque ‘now’ if I stopped negotiating with Telstra and News Corp. I phoned Virginia where the UUNet head office was, and said, ‘What do I do?’, and they said, ‘Take the $10 million.’ So I had another coffee and waited till the cheque arrived!

TJA: What happened?

Spence: Nothing. They never could come up with the rest of the money!

TJA: You left WorldCom in February 2000. Were you involved with Howard, Turnbull and Kennedy in the tech investment group FTR that bought OzEmail’s half share in WebCentral, the web hosting business that Melbourne IT later acquired?

Spence: No, but OzEmail was getting out of all the businesses it had small shares in such as WebCentral and Chaos Music at that stage. WebCentral got bought out immediately by FTR.

TJA: Were you a Director of FTR?

Spence: No, but I had some shares later on. I was a Director of Chaos Music and it was some years later when Chaos got bought out.

TJA: From 2000 until late 2002 you had a whole range of Executive Chairman and Director positions. What were you doing as a Director of Commander Communications?

Spence: Well, it wasn’t really Commander Communications in those days. It was a PABX business called Plestel. Then David Coe, Michael Brogan, myself and others re-floated it on the stock exchange as Commander Communications.

TJA: And you were a part-time Executive Chairman of emitch, Harold Mitchell’s company. Did that take you into the new world of web advertising?

Spence: Yes. It was very interesting and pretty tough too. We listed at 50 cents, our share price went to three dollars something and then tumbled right back down to 20 cents.

TJA: So after your experience with OzEmail, Commander and then emitch you were now an expert in the float of early stage ICT and content businesses?

Spence: At that time I was involved in the float of Chaos Music as a Director as well. And I was Chairman of Access 1 where we tried to build a business that got around Telstra’s copper by using satellite but the cost of connecting each customer was so high. It was a business 10 years ahead of it’s time.
TJA: And what was Vertical Markets Pty Ltd where you were Chairman?

Spence: That was an Allen and Buckeridge-funded strategy. We tried to build a business-to-business business around certain critical industries like pharmaceuticals, government equipment and the veterinarian business, all based on publications. We bought *The Veterinarian* as a magazine and used that as the basis for building a business-to-business type communication portal with that industry. That was the strategy, and it was a very tough strategy.

TJA: Would it work now?

Spence: Yes, in a different format.

TJA: After serving as a WorldCom salesman you must have had a pretty heady couple of years sitting on all these boards, carving out new businesses and overseeing risky floats.

Spence: I know. And this was in the middle of the crash, remember!

TJA: Then suddenly you accept a position as Chief Financial Officer at OPSM!

Spence: Well, Jonathan Pinshaw, an ex-CEO of Freedom Furniture when I was there, became CEO of OPSM and he persuaded me that this was a really great opportunity to turn around this very old Australian company, which was having some difficulties and had become a bit of an industrial conglomerate. We thought that if we could clean it up and get it focused again, this would be a really good business. And we were only two thirds of the way through fixing it up, when this Italian crowd came and made a bid.

TJA: And this is when Peter Shore, then Chairman of Unwired, offered you a position in late 2003?

Spence: Correct. He was an old competitor from OzEmail days because he was in charge of retail in Telstra, including its Internet business.

TJA: Looking at the press release about your arrival, I see that Unwired was described as a wireless broadband and telephone company. Was it actually a telephone company?

Spence: Never. We had 15 staff at one stage focused on a voice strategy here, but then I stopped it overnight.

TJA: Was that part of your long-held view that Telstra must be bypassed?

Spence: Yes. I see the two fastest growing things of the last decade, mobile telephony and Internet, coming together on the one platform.

TJA: Wasn’t it fixed rather than mobile telephony you were considering with the voice strategy you stopped?
Spence: Yes. It was fixed.

TJA: On arrival you would have encountered several directors from the broadcast sector such as Unwired founders Steve Cosser and Chris North. I assume you had not met or worked with them before?

Spence: No. I had never met any of those people.

TJA: Were you invited to meetings in Mr Cosser’s castle in France?

Spence: I have been there, but it was two years later. It was stunning!

TJA: One achievement since you arrived was to extend Unwired to Melbourne.

Spence: Yes. I started here with twelve staff and twelve desks and no systems or anything like that. We started from scratch basically.

TJA: How is Unwired performing in Melbourne?

Spence: We have stopped growing the current pre-WiMAX business or extending the coverage of the network in Melbourne because we were building a network that is not a global standard at the moment. It’s a proprietary technology. The global standard WiMAX was very close, and we needed to roll out WiMAX eventually, so we stopped growing the network 18 months or two years ago. Basically we’ve been sitting on it since then – growing customers and not coverage – AND getting ready for WiMAX.

TJA: Getting ready for what is known as WiMAX 802.16e?

Spence: Yes. And to roll out WiMAX 802.16e requires a lot of money so I spent most of the first six months of last year looking for money to fund this business, but I’m not doing that any more.

TJA: How many retail customers does Unwired have at this stage?

Spence: We announced in November last year that we had 70,000 customers, and we have got more than that now.

TJA: Unwired’s recent sponsorship of the Australian-New Zealand kayaking event must have helped the brand and landed you some new customers because you got fantastic media exposure.

Spence: Yes, and I enjoyed that.

TJA: You mentioned that you were not looking for money any more. Is that mainly because Unwired is now part of Kerry Stokes’ Seven Network Ltd?

Spence: Yes. Seven showed some interest in July last year and it took six months to finalise.
TJA: I saw that Seven began by acquiring a 20 per cent share in Unwired through Engin, the VoIP company. Did that surprise you?

Spence: Yes, it was bit surprising to us that they lent Engin money to buy the stake but they had a strategy to put all that together and that was why it was done that way. Eventually that strategy unraveled and they just bought us themselves.

TJA: Did you have shares in Unwired when it was sold?

Spence: I had shares and I had options.

TJA: So with WorldCom as the main exception, you must have done pretty well from the shares and options in companies you have helped to sell!

Spence: I didn’t do that well. I lost on my shares a bit, but my options got paid out at whatever the Black-Scholes method of valuing options was.

TJA: Now Unwired is no longer a public company but is part of Network Investment Holdings PL (NIH), a Seven Network Ltd subsidiary, what is the main difference for you as Chief Executive?

Spence: There is a big difference. Unwired needs a substantial injection of capital in order to achieve its objectives. It has a serious amount of spectrum and I believe it’s the spectrum that’s going to be extraordinarily valuable in the future. Unwired needs capital to exploit that spectrum which is basically fresh air: without capital, without networks, Unwired is nothing. And you need capital to build networks.

TJA: You were previously on the board of Unwired Limited as Executive Director. Is there still an Unwired board?

Spence: Yes. It’s a private board now.

TJA: Who sits on the board?

Spence: Ryan Stokes is Chairman, Chris North is the only one other than myself on the original board who has stayed on, Bruce McWilliam, Rohan Lund, and Peter Lewis, the Chief Financial Officer of Seven.

TJA: On the purchase of Unwired, Kerry Stokes echoed your ideas when he talked of the migration from fixed broadband to mobile broadband, and he was quoted as saying you could cover 75 per cent of Australia for $150 million. Are there plans to begin building mobile WiMAX broadband capability nationally this year?

Spence: What I can tell you is that our total focus and our strategy is to roll out mobile WiMAX 802.16e across the nine metro areas of Australia.
TJA: Do you have a date for starting this roll out?

Spence: We’re working very hard to make it happen as soon as we can.

TJA: What is the delay?

Spence: The Intel chip development is holding it up.

TJA: Chips for the notebooks.

Spence: For the notebooks and other embedded devices. They are now due out at the back end of ’09 at the 2.3 GHz level, but that’s not to say there are not chips going into other devices like modems and wireless cards and dongles and all these other things that you can use to connect up services before then. There are a lot of devices coming out, and there are a lot of roll outs all happening together, both 2.3 GHz roll outs and 3.5 GHz roll outs. So we will start building our network soon.

TJA: But you still don’t have a date?

Spence: We haven’t released a date, and we’re not saying where yet either.

TJA: Will you continue offering fixed broadband services to existing customers?

Spence: Yes. We’ll continue with the pre-WiMAX network. Some of it we’ll upgrade to the new WiMAX network, some of it we will leave as it is.

TJA: Do you expect that WiMAX in the mobility market will always be a niche product?

Spence: No. We believe the world is going wireless. There’s 20 million people in Australia, and the market for fixed line services is probably somewhere between six to eight million fixed line broadband connections. The market for mobile devices is two to three times that once you move from per household of per business to per person. Then we move to what we call hyper-connectivity where people have multiple devices connected to the Internet like their laptop, like their phone, their Wii gaming device, their set-top box in the home, and their electricity meter outside on the wall. Lots of connectivity. And, for that hyper-connectivity, you need a lot of spectrum.

TJA: So that hyper-connectivity will become your market?

Spence: Yes, that will be our market. The market will move from six to seven million connections to a market of 20 million connections to a market of 100 million connections by the 2017 timeframe.

TJA: And will that place Unwired in head-on competition with Telstra’s NextG mobile broadband product or the next generation GSM technology?
Spence: I don’t think so. I think they’ve all got significant problems. They’ve all got good technology but they haven’t got enough spectrum at the right frequencies.

TJA: Isn’t the Government currently considering what spectrum to sell?

Spence: They don’t have enough spectrum at the right frequencies to sort out the devices that they have or will have.

TJA: Telstra remains one of the harshest critics of WiMAX. I saw that Dr Hugh Bradlow, the Chief Technology Officer, recently criticised WiMAX on Telstra’s PR website nowwearetalking.

Spence: Hugh Bradlow, who in 2003 was quoted as saying that wireless broadband would never work!

TJA: Well, this time he was at a wireless conference in Los Vegas and, among other points, he argues that Telstra’s HSPA technology is way ahead of WiMAX saying, ‘We have yet to see any clear model for WiMAX services, and particularly critical factors such as authentication and roaming, messaging and voice.’ Do you want to comment on that?

Spence: Well. I’ll repeat my comment on what he said in 2003! And I’ll also say that we have a network now that does roaming and so on. These guys think like mobile operators. When you take a laptop with a WiMAX chip in it, or even one of our WiMAX modems today that’s attached to it, and you go from country to country, you don’t have to roam. This is broadband. This is a new world. You get there, open up, up pops a network and you just buy an hour, ten hours or ten weeks, whatever you need. You don’t have to roam like they do in the mobile phone world.

TJA: Another critic is Garth Freeman, the CEO of Buzz Broadband, who recently made a splash in Comms Day by criticising WiMAX for its limited coverage and excessive latency.

Spence: With all due respect to Garth, who is a fellow countryman of mine, the fact is that he has a tiny little network in Hervey Bay with a couple of base stations providing a fixed service on the smell of an oily rag.

TJA: His proprietary technology was supplied by Airspan which Unwired used in the early days before changing to Navini.

Spence: I have great respect for Airspan. In fact, I think their technology today, despite what Garth says, is good and they have come a long way. The problem is that this is very complicated technically. You can’t run it with two people in a back office in Hervey Bay.

TJA: Still, none of this criticism can be much help to Unwired.

Spence: This is Australia. We are peanuts. India is never going to roll out copper and 3G. They are going to go WiMAX. China is going to do their own version of WiMAX because they’re so big they can. Korea is going WiMAX. BT is going to go WiMAX in the UK.
**TJA**: Hasn’t South Korea got plenty of fibre already?

**Spence**: People don’t want fibre. You go to Japan where they’ve got big fat cables into their houses and what do they use? They use their mobile phones. And why are they rolling out WiMAX there? Because people want wireless capacity. WiMAX is all about affordable wireless capacity.

**TJA**: You say, ‘People don’t want fibre’. Have you told Minister Conroy this because he is about to commit a large slab of taxpayer funds to a National Broadband Network (NBN) or the building of fibre to the node or home?

**Spence**: Go to Japan. Just go there and ask any Japanese guy, ‘Are you using that big fat pipe into your home?’ And they will say, ‘No.’ They want mobile services.

**TJA**: So is the message that Minister Conroy should go to Japan?

**Spence**: No. Look, Steven is pretty smart. He was elected on an agenda and he’s carrying it out. There’s no doubt that a lot of countries have fibre to the home like Japan and Korea and others, and you have to say that those services get used. But you have to also ask why is there demand in those countries for mobile data services? Just because they’ve got fibre to the home won’t kill the mobile business.

**TJA**: Are you planning to participate in the NBN process?

**Spence**: No. We’re not interested in rolling out fibre.

**TJA**: That’s lucky because the tender conditions specify that you wouldn’t be allowed to talk with me!

**Spence**: I can talk to you. We’re not part of the fibre process. We’re all about wireless.

**TJA**: Couldn’t wireless provide the local loop or last mile to the home instead of copper?

**Spence**: Who’s worried about fibre to the node or home any more? It’s to the individual or the device. The home is history.

**TJA**: The Minister has said submissions on remote broadband will be accepted in parallel to the NBN proposals. Is Unwired interested in remote areas?

**Spence**: We’ve sold all our regional spectrum.

**TJA**: Was the Minister’s cancellation of the Optus-led OPEL wireless broadband project for Connect Australia funds a setback for WiMAX technology?

**Spence**: We’re not worried about it.
TJA: But it’s a setback for AUSTAR that still has licensed regional WiMAX spectrum.

Spence: We would have liked AUSTAR to get it, and we were very supportive of OPEL because we would have liked them to build compatible networks in the regional cities. But they didn’t get it.

TJA: And AUSalliance, Unwired’s partnership with AUSTAR and Soul, missed out on the Connect Australia funds too?

Spence: Yes. We even spent a year trying to win that and we lost. But you move on.

TJA: Would Mr Stokes be interested in acquiring AUSTAR?

Spence: Liz, you hear these rumours about buying AUSTAR or buying AUSTAR spectrum. That’s up to Mr Stokes. My focus is on mobile WiMAX in the cities.

TJA: But wouldn’t it help to have a compatible network in the regional areas?

Spence: It would be great for the regional areas and we would always be looking to see what we could do to help make that happen.

TJA: Presumably you have discussed future strategy with Mr Stokes. Will you find his purchase of Engin useful, for instance?

Spence: We need a VoIP platform for our future WiMAX strategy because it’s both data and voice so, as Unwired, we will look at the Engin platform – and we are looking – to see if we can use that platform for putting voice onto our WiMAX network.

TJA: Stokes has secured such a mix of interests: Yahoo, TiVo, engin, Unwired and, of course, the free TV spectrum used by the Seven Network in the metro areas. Is there any talk of IPTV and a so-called triple-play strategy?

Spence: We have had lots of discussions here, and with the board, and with the Seven guys as to what triple play means. Our focus is that this is a device and applications-led revolution coming up: the types of devices that can be connected to this network and the types of application. Content plays a role in all of that, but right now it’s more important to know what types of devices are going to be connected to this network and what type of applications are going to run on those devices.

TJA: Can you give an example?

Spence: Well, when you look at the iPhone and see how easy that is to use and the services you get on that device you can see the types of things that will come through in the future.
TJA: When you meet with Ryan Stokes – and presumably Kerry – you must discuss how their 50 per cent-owned Seven Media Group fits into this scenario because it now owns the Seven TV network, which transmits free digital channels through the broadcast spectrum. Is there any interest in using the broadcast spectrum for mobile TV?

Spence: At Unwired, we look at it from the customer’s point of view. Say the customer wants abc or ‘always best connected’, what is the best connection for that customer depending on what he’s doing? If he’s watching free to air television, he might as well watch it as he does today rather than through some broadband path. So ‘always best connected’ is the philosophy that we look at. So it’s a question of whether it’s a broadcast type service that’s the best, or a datacast type service, or a unicast type service like broadband through the home, or WiFi public spectrum?

TJA: And Unwired has set up uConnect hotspots in coffee shops too?

Spence: Yes. uConnect is basically a portable WiFi hotspot that’s connected to our network so that we can take it under our arm and or put a hotspot in a cafe or in the street or wherever we want.

TJA: It will be interesting to see what Unwired, Seven Network and AUSTAR do next.

Spence: Liz, we can spend a lot of time looking at all the bits and pieces, but the core business for us is building a network in the metro cities as fast as we can. We don’t want to be ahead of the wave, but we want to be on the WiMAX wave as it comes.

TJA: You say ‘as it comes’. Could it take another ten years?

Spence: No, no. There are lots of roll outs going on around the world from Bulgaria to Brazil to wherever. We’re in touch with them all and we’re all getting together in terms of building up volume demand for devices and things like that. Our plans are very close now.