



## COMMUNICATIONS & CONNECTIVITY

### **This call's strictly PC**

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**Forget fixed lines and mobiles - save money by turning your computer into a telephone, reports Michelle Innis.**

New, easy-to-use technology that allows you to make voice calls over the internet will cut telephone charges substantially.

Savvy internet users have known for some time they can download software from the internet to make telephone calls using their computer. Now an Australian company has launched hardware - sold in stores such as Dick Smith Electronics - that makes voice calls over the net, through a normal telephone handset.

Using the internet to make telephone calls is called Voice Over Internet Protocol (VoIP). The company that makes the hardware which allows you to use a normal telephone to make the calls is Mobile Innovations, and the product is known as a Voice Box, using its Engin software. Mobile Innovations is listed on the Australian Stock Exchange.

"This is the only consumer-friendly way to use VoIP across both the internet and telephone networks," says Alex Cochran, the merchandise manager of communications with Dick Smith Electronics, Tandy and Powerhouse stores. "There are some software-based products that allow you to talk via your PC, but this technology is the pick at this time."

The Australian Telecommunications Users Group's managing director, Rosemary Sinclair, says she uses her PC to make telephone calls over the internet. She has not purchased a Voice Box, but says, "The technology is progressing to the point where everyone will be able to use it. I'd say that within 12 months or so, it will have been rolled out to households in a significant way."

Sinclair uses software downloaded from an internet site, [www.skype.com](http://www.skype.com), to make calls with her PC.

When she uses her computer to make a telephone call, she uses a headset and a microphone. The person she is calling must be logged on to their PC to receive the call.

This type of software or system is known as "peer to peer", meaning the caller generally has to telephone someone who is logged on to the same system, in this case Skype.

But what's new for consumers is that this technology, used by big business and a state government, can now be used at home. The Victorian State Government uses VoIP, allowing 23,000 government workers to make telephone calls across 41 sites. The calls are free.

You need a broadband internet connection and the \$149 Voice Box, which plugs into your normal telephone. You must also pay Telstra for your telephone line rental. There's also a monthly broadband connection fee to your internet service provider and a monthly fee to Mobile Innovations.

"The Voice Box takes your analogue voice and converts it into data," says Mobile Innovations's chief executive officer, Ilkka Tales. "That data is sent over the internet to the nearest Public Switched Telephone Network, where it is converted back into analogue.

"From that exchange, the call is transmitted to the party being called."

So call charges apply only for the distance from the exchange to the property where the call is answered. If you are making a call from your home in Melbourne to a friend in Sydney, the call may travel over the internet until it gets to an exchange in Sydney. At that exchange, the call is transmitted back into analogue format, and then sent on its way to the intended recipient. The cost incurred for that interstate telephone call is the same cost as a local call.

The same applies to calls made from Australia to overseas destinations, and calls to mobile telephones.

Sinclair says VoIP calls should not be described as "free" because consumers must pay for a broadband connection and there are monthly service charges (see case study). But call charges are considerably less than those currently charged by the major telecommunications companies.

Tales says a local call within Sydney generally costs 20 cents using a big telecommunications company, but the same call using a Voice Box costs 10 cents. A call from Sydney to Perth would also cost 10 cents. But a call between two Engin Voice Box users is free.

Charles Britton, the IT and communications spokesman for the Australian Consumers Association, says: "The technology is opening up so many opportunities. It is exciting for consumers because of the pricing, and the new applications that will come from it.

"It challenges the whole geography of call charging - it removes time and distance as factors in telephone call costs and charges."

Britton says while the technology is still fledgling for consumers, buyers should be aware that call quality might not be as good as a standard telephone call, calls might drop out or be lost if there is congestion on the internet or they might be "scrambled". Receiving every third word in a telephone conversation would be enormously frustrating.

But Mobile Innovation's Tales and Cochran from Dick Smith Electronics say the quality of the calls made over a Voice Box is good.

"I've been using it for four months and I can't tell the difference between Engin Voice Box and a normal phone line," says Cochran.

"I reckon if my dad can install and use it - and he's 85 - anyone can."

### **Net of savings**

Mobile telephones changed Dave Kerr's life - but not in the way you might expect. The father of six children says the increased penetration of mobile telephones and the higher costs that go with making calls to mobiles made him think about a cheaper alternative.

For the past five months his family, from Normanhurst in Sydney, has been trialling hardware that lets them make calls over the internet.

Kerr (pictured above) saw an advertisement asking people to trial Mobile Innovations's Voice Box. He paid \$1 for the "box" (which now retails for \$149) and gave the company an undertaking that if he stopped using it, he would send it back.

"My phone bill is now less than half what it was," Kerr says. "Instead of paying \$800 a quarter, I'm paying about \$170 to \$200 a quarter.

"I get cheap international telephone calls, and that's a bonus. But that was not the motivator. We found, when we looked at our bill in the past, that it was local calls and calls to mobiles - which have gone up tenfold over the past couple of years - that were costing us so much.

"With the Voice Box, we have had a significant reduction in the cost of local and mobile calls."

Kerr pays a telephone line rental fee and \$60 a month to his broadband internet service provider. He also pays Mobile Innovations \$29.95 a month, which gives the family 200 local calls free of charge (the standard Mobile Innovations monthly charge is \$19.95, with no free calls unless they are Voice Box to Voice Box).

Kerr says that when he first started using the Voice Box, sometimes the line would drop out and the call would be lost. But those agreeing to test the new technology were also asked to provide feedback to the company. As a result, there have been improvements, including the stability of the line.

He also says the phone has "neat features", some of which he has not used, such as the ability to take part in conference calls hooked up all over the world. One feature he has used is voice mail.

"I went to an internet cafe and logged on to a PC with a speaker," Kerr says. "I could pick up my voice

messages from home, and hear them through the PC. That was neat."



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