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ACMA WARNS 11 TELCOS ON DATA OBLIGATIONS

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ACMA WARNS TELCOS: COMPLY WITH CUSTOMER DATA OBLIGATIONS

The Australian Communications and Media Authority has warned 11 telecommunications providers to comply with obligations supporting emergency service across the country.

In a statement on Wednesday, the ACMA said it had found that these telcos had provided incorrect information, or failed to provide any data, to the Integrated Public Number Database which has about 72 million connected numbers.

A majority of the **violations** were by Telstra, Singtel Optus and Vodafone Hutchison Australia.

"While the ACMA is not aware of any specific instances of harm caused by the missing or inaccurate information, the scale of the issue and its potential impact on emergency services is very concerning," said ACMA chair Nerida O'Loughlin.

"The ACMA has taken steps to ensure telcos prioritise remediation of their records and that the underlying causes of the breaches are identified and addressed."

The offending telcos have been told to audit their processes, conduct data reconciliations and comply with the IPND code.

Additionally, Optus, Telstra and Symbio have been ordered to address outstanding missing and inaccurate records.

"We'll be looking very closely at the reconciliations and independent audit results and will consider further action if needed," added O'Loughlin.

Penalties of up to $10 million can be levied on telcos who fail to comply with the remedial directions, and they can be fined up to $250,000 for the directions to comply.

Sam Varghese

SOFTWARE AG, TELSTRA TEAM FOR WATER MANAGEMENT SYSTEM

Digital transformation solutions firm Software AG and Telstra have together developed a digital automated water management system based on Telstra's IoT platform and the Cumulocity IoT Solution Accelerator for Water Management.

A statement from the two companies said the system would help water distribution companies to gain insights from meter data in order to cut costs involved in supplying water to consumers.

The system is being tested at Western Australia's Busselton Water where the proof-of-concept has been designed to manage the water system and also allow optimisation of power consumption for the utility's water distribution system.

Tony Drewitt, head of IoT ANZ, Software AG, said: "In partnership with Telstra, we are trialling a Cumulocity IoT-based solution at Western Australia's Busselton Water.

"Combining digital meters, dedicated pressure sensors and Telstra's NB-IoT network with our IoT analytics solution, we are able to deliver true water management-as-a-service."

"With water being such a scarce resource, the use of digital technology to help us better monitor and manage our system will be a huge benefit to our business," said Chris Elliott, chief executive of Busselton Water.

"This is not just in the conservation of water, but in the provision of more reliable, cost-effective water services to our consumer and business customers."

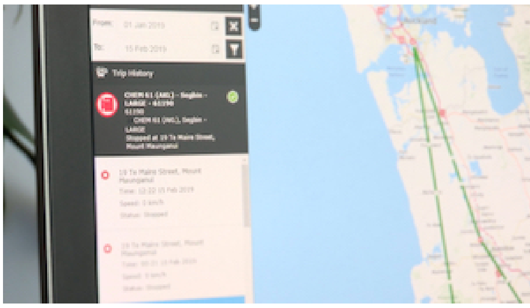
Gerhard Loots, executive, Global IoT Solutions at Telstra, said the company's IoT for Intelligent Utilities would "allow water utilities to better interpret and utilise the data they receive from the digital meter sensors that operate on Telstra's NB-IoT network – Australia's largest and most comprehensive network which covers more than 3.5 million square kilometres".

Sam Varghese

NZ FREIGHT FIRM ADOPTS SPARK'S IOT ASSET TRACKING SERVICE

New Zealand's biggest freight and logistics company Mainfreight has begun using a new Internet of Things Asset Tracking Service developed by telco Spark.

A statement from Spark said the service used its extensive IoT networks, cost-effective IoT devices, digital monitoring dashboards and a support service provided by its own daytime help-desk.



Businesses that want to keep track of their assets have to pay a one-off device fee and an ongoing monthly subscription cost per connected device. The service is delivered in three monthly subscription packages based on business needs – essential, plus or advanced.

Spark’s Digital Services lead Michael Stribling said asset tracking was consistently ranked as a top use case for IoT across consumer, business and industrial markets.

“Industry forecasts indicate the number of devices using tracking location will grow by 40% in the next two years," he said. "However mainstream adoption has been slow due to high cost, the complexity of deployment, technology limitations and the small number of technology providers offering scaled IoT solutions.

“Our move into providing an end-to-end IoT Asset Tracking service means we’re providing businesses with key digital services that will allow them the best chance to innovate and succeed in a digital world.

“Spark’s scale and expertise in the IoT industry and our newly launched nationwide networks means we’ve been able to launch a product that is competitively priced, and we can provide proven guidance to businesses on how to deploy and adopt IoT that fits their needs.”

Mainfreight is among the 14% of New Zealand businesses who have deployed an IoT solution and early adoption has helped rank New Zealand as the fourth most IoT ready country in the G20, despite its relatively small GDP and population.

Stribling said Mainfreight was a prime example of how a business could use data derived from an IoT solution to solve everyday problems and make smarter business decisions.

“Mainfreight’s supply chain is in better order thanks to IoT. By keeping a closer eye on their segregation bins across all depots they know if they’re under-utilised and can choose to relocate them as well as ensuring they are where they should be at the right time," he said.

Sam Varghese

MNF GROUP REPORTS LOWER REVENUE, PROFIT FOR HY2019

Communications provider MNF Group has reported a drop in both revenue and net profit after tax for the first half of financial year 2019, reporting $98.1 million in revenue for the period ($116.7 million in HY2018) and $3.1 million in NPAT ($6.1 million in HY2018).

However, the company said in a statement to the ASX on Tuesday that it was confident of achieving a full-year NPAT of between $11 million and $12 million.

	Result			Guidance	
	H1 FY18	H1 FY19	Change	FY19 Guidance (Updated)	FY20 Guidance (Unchanged)
Revenue	$116.7m	$98.1m	-16%	N/A	N/A
Gross Margin	$34.1m	$35.8m	+5%	$85m-$86m	$100m-$105m
EBITDA	$11.6m	$9.8m	-16%	$27m-$28m	$33m-$36m
NPAT	$6.1m	$3.1m	-49%	$11m-$12m	$15m-$16.5m
Dividend	4.30cps	2.10cps	-51%	Target 50% of EPS as per policy	
EPS	8.30cps	4.18cps	-50%	15.0-16.4cps	20.4-22.4cps

MNF noted that all organic key performance indicators for the six months were making headway compared to the previous corresponding period: number portability was up 25%, wholesale customers had risen by 16%, virtual PBX customer growth was 10% and the margins on business and government customers had gone up by 24%.

The drop in revenue for HY2019 was put down to contracts in usage-based volumes unwinding in the group's global wholesale operations, while the profit drop was said to be due to one-off items – acquisition costs, a depreciation and amortisation increase due to new assets being brought online, and additional staff costs due to regional expansion.

The company forecast a FY20 NPAT target of $15 million to $16.5 million.

It said the acquisition of the wholesale and enablement assets of In-A-Box was completed on 12 December 2018 for $34.5 million and the integration and consolidation of the business was going well with staff and network integration well underway.

"The business is performing to plan, and the milestones that would have been required to achieve the original earn-out conditions have all been met – thereby validating the value paid by MNF during the bid process," the company added.

Sam Varghese

VOCUS GROUP HOLDS HY REVENUE STEADY, BUT PROFITS DROP

Fibre network services provider the Vocus Group has held revenue more or less steady for the half-year 2019, with the company pulling in $974.2 million, a rise of 1% over the $967.3 million reported for the half-year 2018.

But profits tumbled by 29%, with the company reporting $48.8 million in net profit after tax, compared to the $68.6 million a year prior.

A$m	H1 FY19 Reported	H1 FY18 Reported	% change
Revenue	974.2	967.3	+1%
Underlying EBITDA (ex share-based payments)[1]	176.4	189.5	-7%
EBITDA Margin	18.1%	19.6%	-150 bps
Underlying NPAT[2]	48.8	68.6	-29%
Cash Conversion[3]	98%	68%	+34%
Capex (exc. ASC)	73.1	79.5	-8%
Net Leverage Ratio	3.08x	2.87x	n/a

Outlining the progress made on the three-year strategic plan to turn the business around, managing director and chief executive Kevin Russell said: “Having closed out my first six-month period at Vocus, I have great confidence in the strategic growth opportunity for our company, with the core of that opportunity being in our Australian infrastructure business, Vocus Networks.

"This is a three-year turnaround and our board and leadership team is very clear on the way forward. The turnaround program is well underway, and momentum and change has clearly been established."

Russell highlighted what he said were key achievements over the last six months:

- Board renewal completed;
- Organisation restructured into three distinct business units;

- Leadership team rebuilt and remuneration aligned to three-year turnaround;
- Australia Singapore Cable launched;
- Optus MVNO renegotiated, including path to 5G; and
- Network consolidation program commenced.

"In August last year, I said that my key priority was building the right leadership team," Russell said.

"I am delighted and confident with the progress we have made in recent months. We now have a group of experienced and driven leaders in place, who can deliver the execution challenge and maximise our future potential.

"With the new leadership team in place, we will continue to build momentum. I am pleased to reiterate our expectations for FY19 Underlying EBITDA to be between $350 million to $370 million."

Vocus said the revenue increase was due to growth in Vocus Networks. However, this was kept to a minimum by declining revenues in Vocus Retail.

The underlying earnings before interest, tax depreciation and amortisation (excluding share-based payments) fell by 7% year-on-year to $176.4 million.

Cash conversion in the period was strong at 98% but is expected to have a sustainable level of between 90% and 95%. Capex decreased 8% year-on-ye art as the business reviewed spending in the context of strategic opportunities for growth.

Russell said Vocus Network Services (enterprise, government and wholesale segment) delivered accelerating new sales, partly due to boosting sales staff.

"In addition, demand for capacity on the Australian Singapore Cable, which was delivered ahead of schedule and under budget, continues to be strong, with 3.2TB of capacity now sold. Strong sales momentum was, however, offset by higher than normal churn and provisioning cadence, both of which are being addressed as a priority," he said.

"Vocus Retail (business and consumer) is an important turnaround opportunity, where we have substantial legacy revenue from fixed broadband and voice services.

"While revenue is declining in the retail brands, sales and service automation and digitisation has resulted in significant cost reduction, particularly from our Manila-based outsource provider, where headcount has reduced by 25%. The sharp focus on cost reduction resulted EBITDA margin improving to 13%, up from 12%."

Sam Varghese