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## **TELSTRA CORPORATION LIMITED**

### **ACMA proposal to vary the Telecommunications Numbering Plan 2015 – Telstra Submission**

**Public version**

**4 November 2022**

**[CIC begins]** = information not to be released without a confidentiality undertaking

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## SUMMARY

Telstra welcomes the opportunity to respond to the ACMA's proposal to vary the Telecommunications Numbering Plan 2015 (Numbering Plan).

Telstra is committed to providing its customers with high quality services and continually improving these services. So we consider it's important that changes to the Numbering Plan enhance the effective and efficient operation of Australia's telecommunications numbering regime for the benefit of customers.

Telstra strongly supports the proposed variations to specify 7226 as a shared special service and limiting freephone, local rate and premium rate numbers so they can only be used for inbound calls. Both proposals are important for helping us to further reduce scam calling.

However, we are not convinced there is value in requiring Carriage Service Providers (CSP) receiving assigned numbers to be registered in the Numbering System, or increasing the ACMA's powers to withdraw a number (if it believes the number has been used in association with a scam communication). These changes will introduce additional regulatory burden for CSPs but without any clear benefit for reducing scam calling.

In our view, the following two changes to the Numbering Plan are the most valuable ones the ACMA could make to help us and other CSPs significantly reduce the incidence of scam calling:

1. Update the Numbering Plan to clearly state that numbers can only be used by the CSP (or their authorised delegate) holding them and thus stop the questionable practice of some CSPs allowing calls to be originated using numbers held by other CSPs. This practice is preventing us and other CSPs from efficiently blocking the large volume of scam calls from such numbers, as well as undermining the integrity of the regulatory frameworks for number porting and the Integrated Public Number Database (IPND).
2. Update the Numbering Plan to clearly state that mobile numbers can only be used to originate traffic over mobile networks. Most scam calls using mobile numbers originate from fixed line networks so this change would allow us and other CSPs to efficiently reduce scam calling by blocking all calls from mobile numbers that have not originated from a mobile network.

Finally, we are concerned that the proposal to release of new geographic number ranges will require CSPs to incur additional and unnecessary costs to accommodate them. Overall, there has been a large decrease in geographic number usage, which suggests the immediate priority is to undertake further analysis of allocated geographic numbers to investigate the opportunity for releasing unused numbers.

## 01 CSPs originate calls using a number held by another CSP and the use of mobile numbers to originate non-mobile network traffic

### CSPs originate calls using a number held by another CSP

While the ACMA's current proposals do not cover this matter, we believe a priority should be the updating of the Numbering Plan to resolve the ambiguity that currently exists whereby some CSPs consider that they can offer services to customers using numbers held by other CSPs and without the knowledge of those other CSPs or their authorisation.

Section 102 of the Numbering Plan states that

*"A carriage service provider must not issue a number to a customer unless the carriage service provider holds the number"*

and the definitions in the Numbering Plan clarify that

*"a carriage service provider holds a number if:*

- (a) the number has been allocated to the carriage service provider or transferred to the carriage service provider; and*
- (b) the number has not subsequently been transferred to another carriage service provider, surrendered or withdrawn."*

Although the Numbering Plan is clear that only the CSP holding a number (or their authorised delegate) can issue that number to a customer, as part of delivering a service to the customer, once the number has been issued there is no explicit obligation preventing another CSP from subsequently using this number for delivering a service to the same customer.

The use of numbers by CSPs that do not hold the numbers is impeding CSPs, including Telstra, from blocking scam calls in accordance with the requirements under section 4.6 of the Industry Code C661:2022 Reducing Scam Calls and Scam SMSs. A large proportion of this scam traffic could be stopped by each CSP simply blocking all calls from numbers held by them and which originate from other CSPs, other than those numbers which have been ported or authorised for use by the other CSPs.

However, CSPs are cautious about taking such action as there is a risk it would disrupt non-scam traffic generated by CSPs using numbers that they do not hold (and which have not been ported to them or authorised for their use) and thus also impact genuine customers.

### C-I-C Begins C-I-C Ends

Telstra strongly urges the ACMA takes this opportunity to clarify and remove possible ambiguity in the Numbering Plan by changing it to clearly stating that numbers can only be used by the CSP (or their authorised delegate) holding them. Such clarity will strongly support scam disruption initiatives.

### Use of mobile numbers to originate non-mobile network traffic

Although the definitions in the Numbering Plan clarify that a

*"digital mobile number means a special services number specified in Schedule 5 for use with a digital mobile service.*

*digital mobile service means a public mobile telecommunications service supplied by a network using digital modulation techniques."*

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Telstra is concerned CSPs are allowing mobile numbers to originate non-mobile network traffic.

The use of mobile numbers to originate non-mobile network traffic is impeding CSPs, including Telstra, from blocking scam calls in accordance with the requirements under section 4.6 of the Industry Code C661:2022 Reducing Scam Calls and Scam SMSs. A large proportion of this scam traffic could be stopped by each CSP simply blocking all non-mobile network originated traffic using mobile numbers.

However again, CSPs are cautious about taking such action as there is a risk it would also disrupt non scam traffic generated where some CSPs are allowing mobile numbers to originate non-mobile network traffic, impacting genuine customers.

The issue is further exacerbated as the observed behaviour of scammers is to increasingly use mobile numbers, usually spoofing existing numbers, as mobile numbers have become more trusted than geographic numbers. The party receiving a call is more likely to answer a call received from a mobile number than a call received from a geographic number.

Telstra also urges the ACMA to take this opportunity to clarify and remove possible ambiguity in the Numbering Plan by changing it to clearly state that mobile numbers can only be used to originate traffic over mobile networks. Such clarity will strongly support scam disruption initiatives.

## 02 Initiatives to support scam disruption

### 7226 (SCAM) short code

#### 1.1. Do you support these initiatives? Why? Why not?

Yes, this supports the scam work Telstra has been undertaking through our Cleaner Pipes initiative where which includes work to reduce instances of customer data being compromised through malware, ransomware and phishing. In April 2022, Telstra switched on a new SMS scam filter feature that blocks scam text messages at the network level before they reach customers devices. . The short code will make it easier for customers to directly report scam messages and for our scanning technology to automatically identify suspicious links and content in those reports.

#### 1.2. Is there any specific cost or burden in relation to the proposals? If so, please provide specific detail against each relevant item.

None in relation to the being able to receive traffic using 7226.

#### 1.3. If you are a carriage service provider (CSP), will you promote the use of the 7226 (SCAM) code to your customers?

Yes, as the new method to report any scams that customers may receive. Telstra supports this reporting model as a useful tool in the continued evolution of our scam protection measures.

#### 1.4. Should 7226 be classified as a community service?

Yes.

#### 1.5. Should incoming international access be available for 7226?

CSPs should be given discretion to either accept or not accept international traffic associated with the short code 7226.

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#### 1.6. Should 7226 be classified as a low charge number?

Yes, or nil charge so there is a minimal or no cost barrier to end users reporting scams.

#### 1.7. Should 7226 be classified as a selectable number?

No. The use of the short code is to enable customers to report scam texts to their provider and not other providers.

#### Limiting freephone, local rate and premium rate numbers

#### 1.8. Are there any reasons (for example, legitimate use-cases) to allow outbound calls using freephone, local rate and premium numbers?

No. Customer should not be using these numbers for outbound calls as they are not permitted in the C661:2022 *Reducing Scam Calls and Scam SMS* Industry Code.

#### Registration in the Numbering System

#### 1.9. Are there any reasons CSPs shouldn't be registered as a precondition to being assigned numbers on the same network?

It's not clear how requiring CSPs to register in the Number System as a precondition to being assigned numbers on the same network will assist in supporting scam disruption initiatives. The Numbering System will only confirm the CSP that is initially allocated numbers and not the CSP which numbers have been assigned. The ACMA will still need to approach the donor CSP to obtain the third-party CSP detail.

The new record keeping rules proposed by industry in the draft industry code C566:2022 Number Management: Use of Numbers by Customers requires CSPs that assign a number to another CSP outside the Numbering System must maintain a record of the assignment. There is no need for additional registration in the Numbering System.

#### 1.10. Should the numbering plan limit the number of times a number can be provided to another CSP under contractual arrangements (that is, assign the number) outside the Numbering System?

No, unless the ACMA can provide evidence and explain how limiting the number of times a number can be provided to another CSP under contractual arrangements assists in supporting scam disruption initiatives.

#### 1.11. Should the numbering plan restrict entities which can be assigned numbers to Australian businesses?

No, unless the ACMA can provide evidence and explain how restricting entities which can be assigned numbers to Australian businesses assists in supporting scam disruption initiatives.

In an open global market which Australia operates within, a multinational company operating within Australia may be supported by a global CSP.

Rather than restricting which entities a CSP can assign numbers to, the ACMA when allocating numbers should consider restricting the allocation of numbers to Australian entities.

#### 1.12. Under proposed transitional arrangements, is 90 days from commencement of registration provisions sufficient time for CSPs that have been assigned numbers to register?

For those CSPs that are aware of the new obligation, if varied in the Numbering Plan, 90 days would seem sufficient time for a CSP to register in the Numbering System. However, requiring a CSP to return assigned

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numbers if they were not registered within this period is punitive and may adversely impact consumers. The ACMA should consider alternative options that would less likely impact consumers.

### **1.13. Is between 90 to 180 days sufficient time for donor CSPs to check the registration status of CSPs that have been assigned numbers?**

CSPs assigning numbers to third-party CSPs should not have an obligation to check that CSPs they have assigned numbers to are registered in the Numbering System.

The obligation to register in the Number System should rest solely with the CSP which the numbers have been assigned to and not require donor CSPs to check registration and notify the ACMA if a CSP has not registered. If the Numbering Plan were to be varied, it should be the ACMA's role to monitor and enforce this obligation.

If a transitional period were introduced, it's uncertain whether 90 to 180 days would be sufficient time to identify all CSP assigned numbers, notify them of their obligations, and then check the status of CSPs in the Numbering System.

As mentioned above, requiring a CSP to return assigned numbers if they were not registered by the end of the transitional period is unduly punitive and may adversely impact consumers.

## **Power to withdraw numbers used for scams**

### **1.14. In deciding whether to withdraw numbers used for scam or fraudulent purposes, what should the ACMA consider?**

Telstra does not support the proposal to increase the ACMA's powers to withdraw numbers used for scam or fraudulent purposes.

Most number use for scams is transitory and changes rapidly. The observed behaviour of scammers is to use one number once then move quickly on to a new number. Scammers also spoof existing numbers, which should not be withdrawn.

It is unclear how one number or a group of numbers from a pre-defined block of numbers could be withdrawn and what implications this may have on our networks and customers.

There already exists obligations in C661:2022 *Reducing SCAM Calls and SCAM SMS* Industry Code requiring CSPs to monitor for scam activity, exchange information with other CSPs and the ACMA, and undertake action to block scam traffic. It's not clear how additional ACMA powers to withdrawn numbers will achieve improved outcomes in scam disruption.

## **03 Efficient allocation of numbers**

### **Decrease the size of a standard unit of numbers**

#### **2.1. Do you support these initiatives? Why? Why not?**

Telstra does not support decreasing the size of a standard unit for mobile and premium rate numbers to 10,000. Although we are able to accommodate this change, as outlined in our response to question 2.2, decreasing the size of a standard unit is less efficient. The reduction in size of a standard unit will likely increase Telstra's costs as we will be required to condition our networks more frequently to cater for the allocation of smaller blocks of numbers.



It is not clear to Telstra where the demand for a smaller standard unit for mobiles numbers is originating from. As detailed in our submission, Telstra is concerned CSPs are allowing mobile numbers to originate non-mobile network traffic. This practice should not be the driver of this change, even though technological and other industry changes since the Numbering Plan was made can now support smaller standard unit sizes.

**2.2. Is there any specific cost or burden in relation to the proposals? If so, please provide specific detail against each relevant item.**

Yes. Decreasing the size of a standard unit for mobile and premium rate numbers to 10,000 is less efficient than the current standard unit size of 100,000 when conditioning networks. To condition our networks to manage 10,000 mobile numbers costs the same as 100,000 mobile numbers, **C-I-C Begins C-I-C Ends.**

**2.3. If you are a CSP, do you anticipate you will be more likely to apply for an allocation of numbers, or a transfer of numbers, via the Numbering System if standard unit sizes are reduced to 10,000 number blocks?**

No. The reduction in standard unit sizes does not influence Telstra's decision to apply for an allocation of numbers.

**2.4. Noting we anticipate changes will be made to the Numbering System by the end of March 2023, will CSP systems be able to accept 10,000 number blocks by that time? If CSPs expect they will need longer, would a possible workaround be to apply for allocation of 10 x 10,000 number blocks in each transaction? Would this create additional costs?**

Yes, Telstra systems and networks will be able to accept 10,000 number blocks by this time.

**2.5. Are there any disadvantages to requiring transfers of numbers to occur in standard unit sizes under the numbering plan, noting this is already standard practice in the Numbering System?**

No. Telstra's networks and systems are designed to have a continuous range per carrier.

### **Location independent communications services**

**2.6. Are there any reasons to retain location independent communications services (LICS)?**

No.

### **Notice period for the withdrawal and replacement of numbers**

**2.7. Do you support decreasing the notice period CSPs must give customers before recalling or replacing a number? Please specify why or why not.**

Yes. The current notice period is no longer required and was introduced in a time when hard copy telephone books or directories were utilised by consumers, which were updated yearly. This is no longer the case and online services are now typically relied upon, which are updated more frequently.

**2.8. Is 90 business days sufficient to allow customers, including small business owners, to make necessary changes to accommodate a new number?**

Yes.

## **04 Availability of geographic number ranges in certain areas**

**3.1. Do you support these initiatives? Why? Why not?**

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No.

Our strong preference is for the ACMA to first ensure existing allocations of geographic numbers are being utilised efficiently by CSPs prior to releasing a new geographic number range.

Geographic numbers are subject to significant regulatory requirements, such as needing to support carrier preselection in the PSTN and supporting specific call rating like local call charging. Very complex data structures within networks and systems are needed to be altered when geographic number ranges are released.

Overall, there has been a large decrease in geographic number usage, which would suggest further analysis of allocated geographic numbers is required to determine if new geographic number ranges are needed.

**3.2. Is there any specific cost or burden in relation to the proposals? If so, please provide specific detail against each relevant item.**

Yes.

As noted above in our response to question 3.1, geographic numbers are subject to significant regulatory requirements, requiring very complex data structures within networks and systems to support. The release of a new range requires significant resource to both assess the impacts and implement required changes and is significantly more costly than conditioning our networks to support a block of numbers from an existing range.

## 05 Other updates

**4.1. Do you have any comments about the proposal to remove the objects?**

Yes.

Telstra supports the proposed changes to remove the objects and align its interpretation directly with the relevant objects of the Telecommunications Act 1997.

**4.2. Do you have any comments about the proposed changes to definitions?**

Yes.

Telstra supports the proposed changes to definitions to provide consistency with other obligations, including changes to other legislation.