



## TELSTRA GROUP LIMITED

**Telstra submission to the ACMA Draft Annual Carrier Licence Charge 2023–24 and proposed cost recovery of the *Fighting Scams* measure Consultation paper.**

**17 September 2024**

**Confidential**



## Introduction

Telstra welcomes the opportunity to respond to the Australian Communications and Media Authority (ACMA) consultation on the Draft Annual Carrier Licence Charge (ACLC) 2023–24 and proposed cost recovery of the *Fighting Scams* measure.<sup>1</sup>

Telstra does not have any specific comments on the proposed ACLC Cost Recovery Implementation Statement (CRIS), or the CRIS for the Measuring Broadband Australia program.

We are seeking information on the proposed cost components associated with the activities of the Australian Competition and Consumer Commission (ACCC) to gain an understanding as to why their ACLC expenditure is close to parity with the ACMA.

Telstra does have concerns with the proposed cost recovery for the *Fighting Scams* measure:

- The industry is already committing substantial resources to reduce scams and our preferred approach is for industry to continue to work collaboratively in developing solutions to combat scams.
- The proposed *Fighting Scams* measure cost recovery program should be levied across a wider range of the Information, Media and Telecommunications industry<sup>2</sup> including Digital Platforms, Carriage Service Providers (CSPs) and Internet Service Providers (ISPs).
- The lack of transparency in how the tax collected from the proposed *Fighting Scams* cost recovery measure will be allocated.

## Telstra response to the Draft ACLC 2023-24

Telstra is not fully satisfied that the Draft Annual Carrier Licence Charge 2023–24<sup>3</sup> adopts a more transparent approach to how the cost components of the ACLC are being recovered. The draft CRIS provides industry with clarity around the ACMA revenue expenditure and the activities associated with the cost components.

Telstra is seeking additional information on the proposed cost components associated with the ACCC, given the increase in their costs now places their expenditure close to parity with the ACMA activities. Under the Governments Cost Recovery Policy<sup>4</sup>, Commonwealth entities should attempt to “*minimise cost recovery charges through the efficient implementation of cost recovered activities.*”<sup>5</sup> It is not entirely clear however that the CRIS achieves this. For example, there does not appear to be any evidence that demonstrates the ACCC is attempting to identify cost efficiencies or audit its costs.

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<sup>1</sup> The ACMA, August 2024, *Proposed ACLC 2023–24*, available at <https://www.acma.gov.au/consultations/2024-08/proposed-aclc-2023-24>

<sup>2</sup> Australian Bureau of Statistics, 2015, *8681.0 - Information Media and Telecommunications Services, Australia, 2013-14*, available at <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8681.0Main%20Features22013-14?opendocument&tabname=Summary&prodno=8681.0&issue=2013-14&num=&view=>

<sup>3</sup> The ACMA, August 2024, *Draft 2023-24 ACLC Cost Recovery Implementation Statement*, available at <https://www.acma.gov.au/consultations/2024-08/proposed-aclc-2023-24>

<sup>4</sup> Department of Finance, 2024, *Australian Government Cost Recovery Policy*, available at <https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmq-302/australian-government-cost-recovery-policy>

<sup>5</sup> Ibid, s15



## Telstra response to proposed cost recovery of the *Fighting Scams* measure.

Telstra is concerned with the proposed cost recovery of the *Fighting Scams* measure, noting that industry is already committing significant financial and other resources to reduce scams. Telstra supports the introduction of the Scams Prevention Framework and believes the proposed SPF Codes will strengthen our industry based programs to fight scam<sup>6</sup> and our work with other carriers to find solutions to combating scams. Telstra has undertaken a range of measures to reduce scam calls for our customers, costing us approximately [REDACTED]. These initiatives include:

- Cleaner Pipes Development;
- BigPond Email Development;
- Mobile Development;
- Enterprise Development;
- Staff BAU Reporting; and
- Initial Investment in technology.

### The proposed cost recovery of the *Fighting Scams* measure should be levied more widely across industry.

Telstra notes that the proposed cost recovery of the *Fighting Scams* measure will be recovered in arrears from all licensed carriers assessed for the 2024–25 financial year.<sup>7</sup> Telstra considers that the cost recovery mechanism should be broadened to include the wider range of businesses from the Information Media and Telecommunications industry<sup>8</sup> that are subject to scam activity including Digital Platforms, Carriage Service Providers (CSP) and Internet Service Providers (ISP).

Given that the Scams Code Framework is not just confined to the licensed carriers and includes telecommunications, digital services platforms and banks,<sup>9</sup> all of whom are subject to scam activity, it is Telstra's view that the *Fighting Scams* cost recovery measure should be expanded beyond licensed carriers. This is particularly the case as the benefits from the *Fighting Scams* measure will flow to the Digital Platforms and the CSPs, and they too have the responsibility to prevent scams. As currently proposed, the *Fighting Scams* measure will see them make no contribution to cost recovery.

### There should be transparency on how the tax from the proposed *Fighting Scams* measure will be allocated.

Telstra would appreciate the ACMA providing greater transparency on the allocation of the proposed *Fighting Scams* measure as this assists in ensuring that the ACLC tax is applied to programs and

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<sup>6</sup> Telstra, 2024, *Reporting SMS and MMS scams to Telstra - what you need to know*, available at <https://www.telstra.com.au/exchange/cyber-security-and-safety/cyber-safety/reporting-sms-and-mms-scams-to-telstra-what-you-need-to-know#:~:text=Telstra's%20Cleaner%20Pipes%20initiative%20is,from%20scams%20is%20a%20win.>

<sup>7</sup> The ACMA, August 2024, p 9, *Draft Annual Carrier Licence Charge 2023–24 and proposed cost recovery of the Fighting Scams measure Consultation paper*, available at <https://www.acma.gov.au/consultations/2024-08/proposed-aclc-2023-24>

<sup>8</sup> Australian Bureau of Statistics, 2015, *8681.0 - Information Media and Telecommunications Services, Australia, 2013-14*, available at <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8681.0Main%20Features22013-14?opendocument&tabname=Summary&prodno=8681.0&issue=2013-14&num=&view=>

<sup>9</sup> The ACMA, August 2024, p 9, *Draft Annual Carrier Licence Charge 2023–24 and proposed cost recovery of the Fighting Scams measure Consultation paper*, available at <https://www.acma.gov.au/consultations/2024-08/proposed-aclc-2023-24>



initiatives that deliver results in mitigating scam and ensuring that there is visible action to stop scam calls at their source. Telstra would appreciate reporting being provided in relation to:

- Itemisation of the programs receiving funding from the proposed Fighting Scams measure and the amount of funding allocated to each program. Telstra would appreciate details of the activities funded with the tax collected from the proposed measure, notably:
  - The new digital service to support the Scams Code Framework<sup>10</sup> implementation;
  - The analysis of scam information, and the compliance and enforcement activities to support this; and
  - The proposed information sharing mechanisms (including scam traceback) across the telecommunications anti-scam ecosystem.<sup>11</sup>

The ACMA and the ACCC need to demonstrate that the costs recovered from industry are being efficiently allocated i.e. that goods and services are being allocated to their highest valued use and providing the greatest benefit relative to costs. This would involve both organisations asking the following questions: Are we doing the right things? Does this program really work? For this to occur, there needs to be an evidence-based understanding of what any scam prevention programs have been able to deliver, the drivers of these outcomes and the different options available.

Scam prevention needs to consider the roles of the various participants in the ecosystem which include the telcos, the banks, digital services platforms, governments and consumers. A collaborative approach will provide the opportunity to develop a fair model that reflects what each party can and should contribute.<sup>12</sup> Telstra's concern is that the proposed Fighting Scams cost recovery measure does not capture costs from other parties in the ecosystem that have a responsibility to prevent scam traffic.

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<sup>10</sup> The Treasury, 2023, *Scams – mandatory industry codes*, available at <https://treasury.gov.au/consultation/c2023-464732>

<sup>11</sup> The ACMA, August 2024, p 9, *Draft Annual Carrier Licence Charge 2023–24 and proposed cost recovery of the Fighting Scams measure Consultation paper*, available at <https://www.acma.gov.au/consultations/2024-08/proposed-aclc-2023-24>

<sup>12</sup> EY, 2024, *Who should pay for the cost of scams in Australia?*, available at [https://www.ey.com/en\\_au/insights/financial-services/who-should-pay-for-the-cost-of-scams-in-australia](https://www.ey.com/en_au/insights/financial-services/who-should-pay-for-the-cost-of-scams-in-australia)