

Investigation Report

Entity	Telstra Corporation Limited ACN 051 775 556
Type of service	Carriage Service Provider
Relevant Legislation	<ul style="list-style-type: none"> - <i>Telecommunications Act 1997</i> - Industry Code (C555:2020) Integrated Public Number Database (IPND) - Industry Code (C555:2017) Integrated Public Number Database (IPND)
Date	21 October 2021

Findings

The Australian Communications and Media Authority (**ACMA**) finds that Telstra Corporation Limited ACN 051 775 556 (**Telstra**) has, as set out below, contravened the:

- *Telecommunications Act 1997* (the Act)
- Industry Code (C555:2020) Integrated Public Number Database (IPND) (IPND Code)
- Industry Code (C555:2017) Integrated Public Number Database (IPND) (2017 IPND Code), and
- the direction to comply with the 2017 IPND Code which the ACMA gave to Telstra under subsection 121(1) of the Act on 21 December 2018, which is a breach of subsection 121(2) of the Act.

Table 1: Summary of contraventions

Legislation	Provision	Number of contraventions
Act	Subsection 101(1)	849,803
IPND Code	Clause 4.2.1	789,819
2017 IPND Code	Clause 4.2.25	11,959
IPND Code	Clause 4.2.16	47,479
2017 Code	Clause 4.2.11	494
IPND Code	Clause 5.1.8	Multiple occasions
IPND Code	Clause 5.1.11	Multiple occasions
Act	Subsection 121(2)	12,182

Reasons

1. The reasons for the ACMA's findings, including the key elements which establish the contraventions, are set out below and at **Attachment A** (including the periods during which the contraventions occurred).
2. The ACMA's findings are based on information provided by Telstra from 24 December 2020 to date, including in response to a notice dated 29 March 2021 given to Telstra under section 521 of the Act (the Notice), and in Telstra's 10 September 2021 response to the ACMA's preliminary findings.

The IPND and its legislative framework

3. The Integrated Public Number Database (IPND) is a centralised database of public numbers¹ that was established in 1998. It is managed by Telstra in accordance with section 10 of the Telecommunications (Carrier Licence Conditions - Telstra Corporation Limited) Declaration 2019 (Telstra Licence Conditions), and under predecessor instruments before 2019.
4. Telstra is also a carriage service provider (CSP) within the meaning of section 87 of the Act. Telstra is referred to in this report as 'Telstra' in its capacity as a CSP, and as 'the IPND Manager' in its capacity as manager of the IPND.
5. CSPs are required to give, or have third party data providers give on their behalf, customer data to the IPND Manager for inclusion in the IPND. IPND data is used for critical purposes by the emergency call service, the emergency alert system, and national security and law enforcement agencies. It can also be used for permitted research and publication of public number directories upon authorisation by the ACMA.
6. The maintenance of the IPND by the IPND Manager is supported by specific regulatory obligations, including:
 - a. a rule applicable to service providers, which includes CSPs (section 86 of the Act). It requires a CSP which supplies a carriage service to an end-user, where the end-user has a public number, to give the IPND Manager such information as it reasonably requires in connection with its obligation to provide and maintain the IPND (subclause 10(2) of Schedule 2 to the Act), and
 - b. the IPND Code, an industry code registered under Part 6 of the Act, which sets out procedures relating to the transfer of information to and from the IPND Manager and the storage of information in the IPND.
7. Further, the IPND Manager has issued the *Integrated Public Number Database (IPND) Data Users and Data Providers Technical Requirements for IPND* (the Technical Requirements) which set out information required by the IPND Manager. They detail:
 - a. the information required under subsections 10(3)-(5) of the Telstra Licence Conditions including, in relation to the carriage service, the public number, customer name and address, the name of the CSP providing a service to the number, and whether it is unlisted² (see further at paragraph 8 below)
 - b. other information the IPND Manager requires, including the type of service and whether the service to the public number is connected or disconnected, and
 - c. operational and technical requirements for the supply of that customer data by CSPs, and by data providers on behalf of CSPs, to the IPND Manager.

¹ Public numbers are numbers specified in the Telecommunications Numbering Plan 2015 and include most numbers including geographic, freephone, local rate, premium rate, and international numbers.

² See definitions of *Listed Number*, *Listed Entry*, *Unlisted Number*, and *Unlisted Entry* in the IPND Code.

8. Relevant to the Telstra Licence Conditions requirement that the IPND show if a number is unlisted, clause 4.1.1 of the IPND Code requires CSPs to offer end-users a choice of a listed or unlisted phone number, and to record the end-users' preference in customer data provided to the IPND. (Customers nominate their preference when they commence a service, and can change it at any time). In short, a listed entry is where the customer agrees to make their number available for phone number directories and directory assistance services. An unlisted (or 'silent') entry is where the customer does not agree to the number being available for these purposes. An unlisted number is an important – sometimes crucial - privacy protection for some customers.
9. The IPND Code reiterates the requirement for customer data under the Technical Requirements and provides further detail about what, and how, customer data is to be provided to the IPND Manager (for example, setting out timeframes for provision of data to the IPND, and processes for rectifying errors in IPND data).
10. The data is defined in the IPND Code as public number customer data, or PNCD, and that term is used in this report.
11. The IPND Manager's Technical Requirements are referenced in the IPND Code, and the associated IPND Data Guideline (G619:2017).
12. Having regard to the critical uses of IPND data, and the public policy purposes to be served by relevant provisions of the Act and the Telstra Licence Conditions, the ACMA considers that it is reasonable that the IPND Manager requires the PNCD from CSPs, since it is essential to the proper functioning of the IPND.
13. For the same reason, the ACMA takes the view that PNCD must be accurate, complete and up-to-date. An absence of, or inaccurate or incomplete, PNCD can have potential adverse impacts on the critical activities for which IPND data is used, and lead to risks to individuals and public safety.

Relevant provisions of the Act

14. Subsection 101(1) of the Act requires that service providers, including CSPs, comply with the service provider rules that apply to them. Subsection 101(3) states that subsection 101(1) is a civil penalty provision.
15. Subsection 98(1) of the Act provides that the service provider rules include those set out in Schedule 2 to the Act.
16. Clause 1 of Schedule 2 to the Act provides that service providers must comply with the Act.
17. Clause 10 of Schedule 2 requires that if a CSP supplies a carriage service to an end-user, and the end-user has a public number, the CSP must give the IPND Manager such information as it reasonably requires to fulfil its obligation to provide and maintain the IPND.

Compliance with the Act

18. The ACMA has considered whether Telstra complied with the service provider rule at clause 10 of Schedule 2 to the Act.

Is Telstra a CSP?	Telstra is a CSP as defined at section 87 of the Act. Accordingly, it must comply with the service provider rules that apply to it.
Does or did Telstra supply the carriage services to end-users with public numbers?	Based on Telstra's response to the Notice, Telstra supplies or supplied the carriage services under investigation to end-users with public numbers.
Did Telstra give the IPND Manager such information as the IPND Manager reasonably requires to provide and maintain the IPND in relation to the carriage services?	<p>Based on Telstra's response to the Notice, Telstra did not give the IPND Manager information it reasonably requires to provide and maintain the IPND on 849,803 occasions in connection with carriage services under investigation which Telstra is supplying or supplied to end-users with public numbers.</p> <p>Between 1 August 2017 and 3 May 2021, Telstra:</p> <ul style="list-style-type: none"> • failed to give any PNCD to the IPND Manager on 335,272 occasions (comprised of contraventions from Categories 2 and 5 of Table 1 of Attachment A) • gave inaccurate PNCD to the IPND Manager on 48,025 occasions (Categories 3 and 4 of Table 1 of Attachment A) • failed to give to the IPND Manager updates to PNCD supplied in the past after the PNCD changed (eg the customer changed their name or address, or disconnected the service) on 466,506 occasions (comprised of contraventions from Categories 1, 2 and 5 of Table 1 of Attachment A). <p>Further details are at Table 1 of Attachment A.</p>

19. Accordingly, the ACMA finds that Telstra breached subsection 101(1) of the Act on **849,803** occasions by failing to comply with the service provider rule at clause 10 of Schedule 2 to the Act.

Compliance with the IPND Code and the 2017 IPND Code

Clause 4.2.1 – provision of PNCD to the IPND Manager

20. Clause 4.2.1 of the IPND Code states:

Each CSP that provides a Carriage Service to a Customer using a Number must provide the IPND Manager the relevant PNCD, including transaction updates [such as changes to PNCD], in respect of each Carriage Service it supplies, that occur on one Business Day, by the end of the next Business Day. This includes all transactions relating to connections or disconnections.

21. For obligations that applied under the previous 2017 IPND Code, clauses 4.2.1 and 4.2.25 (when read together) set out a similar obligation to that at paragraph 20 above, with the timeframe in the latter clause.³

22. The ACMA has considered whether Telstra complied with clause 4.2.1 of the IPND Code.

³ Clause 4.2.1 of 2017 Code: *Each CSP that provides a Carriage Service to a Customer using a Number must provide the relevant PNCD to the IPND Manager in respect of each Carriage Service it supplies.*

Clause 4.2.25 of the 2017 Code: *The CSP must supply, to the IPND Manager, all PNCD updates, that occur on one Business Day, by the end of the next Business Day. This includes all transactions relating to pending connections or pending disconnections, and connections or disconnections.*

Is Telstra a CSP?	'CSP' is defined in the IPND Code as having the same meaning as in section 87 of Act – refer to the table at paragraph 18 above.
Does or did Telstra supply the carriage services to end-users using public numbers?	Based on Telstra's response to the Notice, Telstra supplies or supplied the carriage services under investigation to end-users with public numbers.
Did Telstra provide the IPND Manager the relevant PNCD, including transaction updates, for the carriage services which it supplies or supplied, that occurred on one Business Day, by the end of the next Business Day (including all transactions relating to connections or disconnections)?	<p>Based on Telstra's response to the Notice, Telstra did not provide the IPND Manager relevant PNCD, including transaction updates, that occurred on one Business Day by the end of the next Business Day, on 789,819⁴ occasions in relation to carriage services under investigation which Telstra supplies or supplied.</p> <p>Between 3 July 2020 and 3 May 2021, Telstra failed to provide to the IPND Manager:</p> <ul style="list-style-type: none"> any PNCD on 335,272 occasions (comprised of contraventions from Categories 2 and 5 of Table 1 of Attachment A), updates to PNCD supplied in the past after it changed (eg the customer changed their name or address, or disconnected the service) on 454,547 occasions (comprised of contraventions from Categories 1, 2 and 5 of Table 1 of Attachment A). <p>These failures occurred while the IPND Code was in force. The shortest period before Telstra provided required PNCD, or updated PNCD, to the IPND Manager was approximately 2 days and the longest period was approximately 300 days.</p> <p>Further details are at Table 2 of Attachment A.</p>

23. Accordingly, the ACMA finds that Telstra breached clause 4.2.1 of the IPND Code on **789,819** occasions.

24. The ACMA has also considered whether Telstra complied with clause 4.2.25 of the 2017 IPND Code.

Is Telstra a CSP?	'CSP' is defined in the 2017 IPND Code as having the same meaning as in section 87 of Act – refer to the table at paragraph 18 above.
Did Telstra provide to the IPND Manager all PNCD updates that occurred on one Business Day, by the end of the next Business Day (including all transactions relating to pending connections or pending disconnections, and connections or disconnections) in relation to the carriage services?	<p>Based on Telstra's response to the Notice, Telstra did not provide to the IPND Manager all PNCD updates that occurred on one Business Day, by the end of the next Business Day on 11,959 occasions in relation to carriage services under investigation which Telstra provides or provided.</p> <p>These failures occurred between 3 July 2019 and 18 March 2020 when the 2017 IPND Code was in force. The shortest period before Telstra provided updated PNCD to the IPND Manager was approximately 300 days and the longest period was approximately 1.5 years.</p> <p>Further details are at Table 2 of Attachment A.</p>

⁴ This figure is different to the figure at paragraph 18 above because certain occasions which breached the service provider rule do not breach clause 4.2.1 of the IPND Code. See further at Attachment A.

25. Accordingly, the ACMA finds that Telstra breached clause 4.2.25 of the 2017 IPND Code on **11,959** occasions.
26. These breaches also contravene the direction to comply with the 2017 IPND Code which the ACMA gave to Telstra under subsection 121(1) of the Act on 21 December 2018. Subsection 121(2) of the Act states that a person must comply with a direction under subsection 121(1). Accordingly, the ACMA finds that Telstra breached subsection 121(2) of the Act on 11,959 occasions.

Clause 4.2.16 – PNCD must be complete, accurate and up-to-date

27. Clause 4.2.16 of the IPND Code requires that each CSP must ensure that the PNCD provided to the IPND Manager is accurate, complete and up to date. Clause 4.2.11 of the 2017 IPND Code set out the same obligation.
28. The ACMA has considered whether Telstra complied with clause 4.2.16 of the IPND Code.

Is Telstra a CSP?	Refer to table at paragraph 22 above.
Did Telstra ensure that the PNCD provided to the IPND Manager for carriage services was accurate, complete and up to date?	<p>Based on Telstra's response to the Notice, Telstra provided PNCD to the IPND Manager which was inaccurate on 47,479 occasions in relation to carriage services under investigation, specifically the field which indicates if a number is listed or unlisted was inaccurate.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Further details are at Table 2 of Attachment A.</p>

29. Accordingly, the ACMA finds that Telstra breached clause 4.2.16 of the IPND Code on **47,479** occasions.
30. The ACMA has also considered whether Telstra complied with clause 4.2.11 of the 2017 IPND Code.

Is Telstra a CSP?	Refer to table at paragraph 24 above.
Did Telstra ensure that the PNCD provided to the IPND Manager was accurate, complete and up to date for the carriage services?	<p>Based on Telstra's response to the Notice, Telstra provided PNCD to the IPND Manager which was inaccurate on 494 occasions in relation to carriage services under investigation, specifically the field which indicates if a number is listed or unlisted was inaccurate.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Further details are at Table 2 of Attachment A.</p>

31. Accordingly, the ACMA finds that Telstra breached clause 4.2.11 of the 2017 IPND Code on **494** occasions.
32. 223 of these breaches also contravene the direction to comply with the 2017 IPND Code which the ACMA gave to Telstra under subsection 121(1) of the Act on 21 December 2018 (the remaining 271 occurred before the direction was given). Subsection 121(2) of the Act

states that a person must comply with a direction under subsection 121(1). Accordingly, the ACMA finds that Telstra breached subsection 121(2) of the Act on 223 occasions.

Clauses 5.1.8 and 5.1.11 – resolution of PNCD errors

33. Clause 5.1.8 of the IPND Code requires a CSP to take steps (detailed below) if it has been provided error information referred to in clause 5.1.7 by its data provider, namely data or reports relating to:
 - a. hard errors (errors that prevent the upload of PNCD to the IPND),
 - b. Data Provider Query Files (files generated by the IPND to highlight possible data inconsistencies and sent to the Data Provider), or
 - c. IPND Manager feedback.
34. If the CSP has been provided any of the error information above, the CSP must take reasonable steps to resolve the matter and supply the corrected PNCD to the IPND Manager within one Business Day.
35. Clause 5.1.11 sets out a similar obligation in relation to other error information referred to in clause 5.1.10, namely data relating to soft errors. These are potential errors in a record identified during the validation of the data provider's file when it is uploaded to the IPND and the tagging of the file as having a 'Soft Error'.
36. In response to the preliminary findings, Telstra stated that its data provider made error reports available to Telstra from 19 March 2020 to 18 January 2021 but that Telstra did not review the error files in that period.
37. Accordingly, the ACMA finds that on **multiple occasions** for the period 19 March 2020 to 18 January 2021 (inclusive), Telstra breached clauses 5.1.8 and 5.1.11 of the IPND Code.

Attachment A – Contraventions

Table 1: Contraventions of the Act*

Provision/ Total contraventions	Breakdown of total contraventions and source of information (item numbers/annexures are as per Telstra’s response to the ACMA’s Notice)	Summary of issues
Subsection 101(1)/ 849,803	30,114 (Category 1) Item 1/Annexure A (Belong Address Update Incident)	Telstra states that it did not give updated PNCD to the IPND Manager when customers of Belong-branded services changed or updated address information (PNCD inaccurate). The changes were requested by customers between 1 July 2019 and 30 November 2020. The updated PNCD was given to the IPND Manager between 14 January and 20 February 2021.
	35,664 (Category 2) Item 2/Annexure B (Belong Record Upload Incident)	Telstra states that, in relation to Belong-branded services, it either did not give: <ul style="list-style-type: none"> any PNCD to the IPND Manager when services were connected (PNCD not in the IPND) updated PNCD to the IPND Manager when customers changed name or address, or disconnected their service (PNCD inaccurate). The changes were requested by customers between 29 November 2020 and 13 January 2021. The updated PNCD was given to the IPND Manager between 14 January and 4 May 2021.
	47,268 (Category 3) Item 9/Annexure D (List Code Incident 1)	Telstra states it gave inaccurate PNCD to the IPND Manager (listed/unlisted field was inaccurate). [REDACTED]
	757 (Category 4) Item 9/Annexure E (List Code Incident 2)	Telstra states it gave inaccurate PNCD to the IPND Manager (listed/unlisted field was inaccurate). [REDACTED]
	736,000 (approximate) (Category 5) Item 10 – Telstra services reconciliation (list codes)	Telstra reconciled the listing status in PNCD for connected services in its customer systems with connected records in the IPND for all Telstra services. It revealed differences including: <ul style="list-style-type: none"> more records flagged as unlisted in the IPND than in Telstra’s customer systems, and more records flagged as listed in the IPND than in Telstra’s customer systems (indicates that Telstra disconnected these services but failed to update the PNCD in the IPND – PNCD inaccurate) records flagged as unlisted in Telstra’s customer systems not in IPND, or listed in Telstra’s customer systems not in IPND (PNCD not in the IPND).

Table 2: Contraventions of the IPND Code and 2017 IPND Code*

Legislation/ Provision/ Total contraventions	Breakdown of total contraventions and source (item numbers and annexures are as per Telstra's response to the ACMA's Notice)	Summary of issues – see Table 1 for dates
IPND Code/ 4.2.1/ 789,819	849,803 as per Table 1 minus 11,959 (subset of Category 1), 47,268 (Category 3) and 757 (Category 4) = 789,819	PNCD described at Table 1 also contravenes clause 4.2.1 of the IPND Code with the following exceptions: <ul style="list-style-type: none"> 11,959 occasions listed in Item 1/Annexure A occurred prior to the IPND Code commencing on 19 March 2020 and therefore do not contravene clause 4.2.1 of the IPND Code (but do contravene the 2017 IPND Code – please see row 2 below) giving inaccurate PNCD to the IPND Manager listed in Item 9/Annexures D (47,268) and E (757) does not breach clause 4.2.1 as Telstra did not fail to upload PNCD or a transaction update (rather, it gave the IPND Manager inaccurate PNCD which contravenes clauses 4.2.16 of the IPND Code and 4.2.11 of the 2017 IPND Code – see rows 3, 4 and 5 below).
2017 IPND Code/ 4.2.25/ 11,959	11,959 Annexure A (Belong Address Update Incident)	As above but date range means the contraventions occurred when the 2017 IPND Code was in force.
IPND Code/ 4.2.16/ 47,479	47,268 Item 9/Annexure D (List Code Incident 1)	Telstra states it failed to ensure that PNCD provided to the IPND Manager was accurate, complete and up-to-date (listed/unlisted field was inaccurate).
	211 Item 9/Annexure E (List Code Incident 2)	As above [REDACTED]
2017 IPND Code/ 4.2.11 494	494 Item 9/Annexure E (List Code Incident 2)	As above but date range means these 494 the contraventions occurred when the 2017 IPND Code was in force.
IPND Code/ 5.1.8/ Multiple occasions	Multiple occasions Item 8.1	Telstra states it has not been checking error reports for Belong since October 2017. Telstra has breached this obligation on at least one occasion, and likely many, however exact data is not currently available. There have been requirements relating to error reports/rectification of errors since the IPND Code was registered (19 March 2020).
IPND Code/ 5.1.11/ Multiple occasions	Multiple occasions Item 8.1	Telstra states it has not been checking error reports for Belong since October 2017. Telstra has breached this obligation on at least one occasion, and likely many, however exact data is not currently available. There have been requirements relating to error reports/rectification of errors since the IPND Code was registered (19 March 2020).

* The ACMA has excluded from its findings some of the data provided by Telstra in response to the ACMA's Notice and preliminary findings report.

- The ACMA excluded 419 occasions from the findings, as the dates provided by Telstra in Annexure B indicate the PNCD was provided to the IPND Manager by the end of the next Business Day after the service was connected, disconnected, or the PNCD changed: *Activation tab – 205; Address Change tab – 50; Name Change tab – 5; Deactivation tab – 159.*
- The ACMA excluded 52 occasions from the findings under the 2017 IPND Code, as the dates provided at Annexure E (List Code Incident 2) indicate the breaches occurred before the 2017 Code was in force.

- Regarding data provided by Telstra in response to Item 10, the ACMA:
 - excluded 270,000 occasions. Telstra states that while the data reconciliation extracts for each of the Telstra systems and the IPND are taken on the same day, they may be extracted at different times, which may mean there are discrepancies between the two extracts. Telstra states it updates approximately 270,000 records per day, and therefore the difference in timing will impact on the reconciliation results. The ACMA considers it unlikely that 270,000 of the list code errors identified in response to Item 10 are all due to timing errors, but has excluded them from the findings due to Telstra's claims.
 - reduced the remainder by 45% based on claims from Telstra that in 40-50% of these instances, it was highly likely that the IPND record was accurate (and therefore not a breach), but there was an inaccuracy in Telstra's system. Telstra outlined feasible reasons for the discrepancies and the ACMA has therefore excluded 45%, resulting in breaches of 736,000 (approximate).