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Nerida O'Loughlin
Chair
Australian Communications and Media Authority

By email: numberingplanreview@acma.gov.au

Dear Nerida

Australian Communications and Media Authority proposed changes to the Numbering Plan and other instruments

Thank you for the opportunity to respond to the Australian Communications and Media Authority's (ACMA) consultation on proposed changes to the Numbering Plan, the Pre-selection Determination and Portability Suppliers Determination.

We acknowledge the challenges and complex issues raised during this review, in particular, diverging industry views on the potential competitive benefits and consumer harms of certain use of number practices, including notably the Multiple Service Practice (i.e. the use of numbers by multiple providers).

We also note the ACMA intends to further consider and consult on several matters raised in this review, following the remake of the Numbering Plan. In making the new Numbering Plan and in conducting further numbering work, we consider it important to implement clear guidance and rules, having regard to a range of matters including competition, consumer safeguards, and consumer trust in telephone numbers.

Providing clear guidance and rules is critical to ensuring an effective regulatory framework

We consider that clear and unambiguous rules are essential to the achievement of the underlying policy objectives of the numbering framework – to enable any-to-any connectivity, facilitate competition, and ensure consumer protection, security, and safety.

Currently, some industry players interpret and apply the numbering regulatory framework differently. For example, as highlighted in our previous submission there is conflict between some carriage service providers regarding the use of mobile numbers on non-mobile networks. The ACCC understands there have been instances where some non-mobile network operators have been allocated mobile numbers by the ACMA but cannot properly use these numbers because other operators will not condition them.

Further, we understand that industry conflict around these practices has in some instances resulted in commercial disputes and/or disruption to certain telecommunications providers and their customers. Industry disagreement on the application of numbering rules may

further impact the broader regulatory framework – where use of numbers relates to access to regulated telecommunications services and the broader scam protection framework.

Promoting competition, consumer safeguards and consumer trust in numbering

We acknowledge the broad range of considerations that the ACMA will need to take into account in arriving at its positions regarding contentious issues such as the Multiple Service Practice as well as the complexity of this exercise. These considerations are likely to include promoting fair and vigorous competition for the provision of telecommunications services, mitigating risks of service disruption and impact of scams and ensuring consumer confidence in the numbering system. We suggest an appropriate solution is one that promotes competition, including through the provision of appropriate consumer protections. We regard these as complementary not competing objectives.

Adequate consumer safeguards against scams and ensuring consumer confidence in the numbering system are fundamental to promoting competitive markets for services that rely on the use of numbers. For instance, the use or misuse of Multiple Service Practice will become increasingly irrelevant if consumers decline to answer incoming calls because of scam risk and the reduced meaning attached to an incoming number (specifically, number ownership and geographic location). With declining trust comes the reduced ability for businesses and governments to call members of the public with legitimate inquiries, regardless of whether Multiple Service Practice enables efficient practices or new ecommerce opportunities. In these circumstances, any competitive benefits, including through innovative services, will not be realised.

In considering these matters, we support the ACMA continuing to engage with a broad range of stakeholders, including industry, consumer groups as well as other agencies whose functions may critically depend on the numbering system (such as the Federal Police). In particular, we consider it would be useful to seek information that is relevant to assessing the extent that consumers value and utilise numbering information. Telephone numbers may serve as a source of information for consumers, potentially indicating the nature of a service or the identity of the calling party. Given changes over time to what numbers are used for, this information is no longer entirely accurate.

ACMA's forward numbering work program

We support the ACMA's intention to further explore certain issues in a forward numbering work program after remaking the Numbering Plan. We also support the ACMA's proposal to conduct further consultation on these issues imminently (Q1 2025) and conclude this work by mid-2025. We consider this timing appropriately recognises the importance of finding a solution, noting that 2024 ScamWatch data indicates that telephone calls are the contact method resulting in the highest total reported losses.

Principles-based Numbering Plan

We understand the ACMA's further numbering work program proposes to consider whether a principles-based Numbering Plan is achievable with detailed operational procedures and requirements set out in industry codes. While we acknowledge that industry codes may be appropriate for setting rules relating to technical and operational matters, we consider they may be less effective in regulating interactions between industry players where there are divergent views and market power imbalances. In such instances, clear rules made by the regulator with all perspectives considered and a clear regulatory objective (such as a decision in the long-term interests of end-users) is likely required.

Multiple service practice

The ACCC recognises the complexity of Multiple Service Practice and that its use may be widespread. We are aware of commercial disputes arising from opposing views regarding the legitimacy of this practice, which is also significantly impacting scam blocking (and in some cases unblocking) of calls. We support the ACMA further examining this issue in the forward working program as a matter of priority and welcome the opportunity to continue working with the ACMA on this matter.

Competition issues and specific use cases were cited in industry submissions as reasons to not restrict Multiple Service Practice allowed by the existing Numbering Plan. It was acknowledged in the ACMA's November 2024 Consultation Paper that these practices are also strongly favoured by scam perpetrators. We consider that the issue of scams is real and present. While we know the extent and impact of scams is under-reported, in 2024, more than a third of all scam losses reported to ScamWatch, totalling \$107.2 million, involved scams initiated via phone calls, with losses to scams occurring by SMS also causing significant losses at \$14 million.

We understand that the ACMA has started to explore Know Your Customer and Know Your Traffic arrangements as part of its consideration of this practice. We support these considerations and note that arrangements should encompass mechanisms to overcome the difficulty of tracing calls placed using Multiple Service Practice.

Currently, large carriage service providers (generally mobile network operators) have economies of scale in relation to Know Your Traffic strategies not held by smaller carriage service providers due to the volume of traffic which terminate on their networks. They are more likely to have well-established baselines of 'normal' behaviour for incoming traffic from other networks and can spot unexpected spikes indicating potential scam activity meriting investigation and/or algorithmic blocking.

More generally, we understand that current Know Your Traffic strategies may need to rely on timely and complete intelligence about scam calls (noting that carriage service providers state that both the calling line identification and the time-date stamp of a call are required for tracing). As noted above, large carriage service providers have sufficient knowledge of their traffic to perform initial wide-scale disruption of suspicious traffic, but still require the specifics of individual calls to perform tracebacks. Knowing traffic was suspicious may mean they can derive individual incidents of a larger scam traffic campaign, but smaller operators may require consumer reports, or information from other sources where available, to identify scam traffic. We should ensure these sources are as readily available as possible.

Presently, there are few easy ways for consumers to report critical information in a timely fashion and the ACCC welcomed the Government's introduction of mandatory internal dispute resolution processes for entities regulated under the Scams Prevention Framework to support consumers' scam reporting. Mobile phone operators and device operating systems are also uniquely placed to collect such information but have no obligations to identify or share scam intelligence with carriage service providers, although a small number of voluntary arrangements exist (such as that between, Apple and Telstra). The ACMA should also closely consider the role of device operating system companies in preventing scam traffic as they have advantages in scale and additional information, such as payment and potential KYC information from, for example, Apple account registrations, not held by any one carriage service provider.

We consider that these are relevant considerations that the ACMA may wish to have regard to in developing effective Know Your Customer and Know Your Traffic arrangements as part of its consideration into Multiple Service Practice.

The ACCC also strongly supports restricting the use of Multiple Service Practice for international traffic, because systemic changes can have a broad effect and complement the obligations set out in the Scams Prevention Framework. Whilst the Scams Prevention Framework will be key to addressing scam activity, having a robust numbering regime remains a core, systemic component in preventing scams and consumer protection. We expect the Government's proposed Scams Prevention Framework will greatly assist with consumer protection from scams, with mandatory and enforceable requirements on telecommunication providers to prevent, detect, disrupt, respond and report on scams.

In addition, caution should be exercised in the breadth of any exceptions provided for the Multiple Service Practice for international traffic, as overseas call intermediaries which fall within the exceptions could be exploited by scammers. While a rigorous Know Your Customer regime which places ongoing obligations on carriage service providers to identify customers will have impact, the role of overseas intermediaries may create the illusion of Know Your Customer when the actual end user has not been vetted. When these intermediaries are large multinationals, small Australian carriage service providers are unlikely to have the motivation or bargaining power to challenge these parties for fear of losing business. Therefore, exceptions to international restrictions must have robust checks and balances to avoid scam exploitation of intermediaries. It is also worth considering whether some form of registration or notification regime should apply in relation to exceptions.

Further, innovation in the VoIP sector internationally is likely to outstrip regulator's ability to keep pace with the scam impacts, which is part of its attractiveness to criminal networks. The Numbering Plan or other relevant numbering regulations need to be drafted in a way to avoid being quickly outdated as scammers adapt.

Carriage Service Provider registration

The ACMA's review has identified carriage service providers that provide interconnection services to over 750 other carriage service providers that make use of Multiple Service Practice, many of whom likely provide these services using third party infrastructure. Given the large number of participants in the telecommunications sector, ongoing concerns regarding scams and misuse of numbers, the ACCC welcomes the ACMA's proposal to consider carriage service provider registration for the allocation and use of numbers. Registration and minimum standards for the use and allocation of numbers may better reflect a mature market and the essential nature of the services being provided.

Proposed changes to the Numbering Plan

Mobile number definition

The ACMA is proposing to introduce a discrete number type for mobile numbers with updated definition and specified use. In particular, the ACMA is proposing that a mobile number can only be used in connection with a mobile service, or a service that is not permitted to use other numbers specified in Chapter 2 of the draft Numbering Plan. The ACMA has explained that it is not explicitly limiting the use of mobile numbers to mobile services noting emerging technologies such as cloud-based services.

We consider there needs to be further clarification on what non-mobile services can be permitted to use mobile numbers to avoid further confusion and potential disputes regarding the use of mobile numbers by industry. In particular, it is unclear how the proposed definition and use of mobile numbers interact with the proposed changes in the definition of local service, as the latter appears to broaden the use of geographic numbers for non-geographic services as well (discussed below). Given the contention regarding the use of mobile numbers, we consider that the proposed changes may risk further disputes regarding whether emerging services such as cloud-based services should use geographic numbers or mobile numbers.

If the proposed use of mobile numbers does capture some emerging services that are not otherwise permitted to use other numbers (including geographic numbers), the ACMA may wish to consider the risk that this would exacerbate scam issues and further impact consumer trust in mobile numbers. The ACCC considers that if the intention is to create a fall-back option for services that emerge from time to time, the new number range for non-geographic/nomadic services that the ACMA is proposing to explore in future work program after remaking the Numbering Plan may be more appropriate.

Overall, we encourage the ACMA to clarify the use of mobile numbers by non-mobile network operators, as this continues to be a source of conflict between some mobile network operators and carriage service providers. As noted in our previous submission, the use of mobile numbers by non-mobile network operators was raised in the ACCC's 2023–24 combined declaration inquiry, in the context of the mobile terminating access service (MTAS).¹ The ACCC considered whether the MTAS service description should be varied to refer to termination to a mobile number. The ACCC did not ultimately consider changes to the MTAS service description were appropriate at the time given lack of clarity and consensus amongst industry regarding the use of mobile numbers. However, we consider these submissions highlight the need to clarify the ways in which non-mobile network operators are and are not able to use mobile numbers as part of the Numbering Plan review.

Local service definition

The ACMA is also proposing to update the definition of local service so that geographic numbers can be used to provide voice services at locations that are not fixed, i.e. 'portable locations'. The ACMA has explained that this proposal reflects technology innovations that allow, for instance, an office worker to use the same work number regardless of their location.

We note the draft Numbering Plan does not define 'portable location' or impose limitations on when a service provided at 'portable location' may use geographic numbers. We acknowledge the occasional use of a geographic number outside its designated area (e.g. working from home or during business travel) is likely to be acceptable and indeed well-established work practices nowadays. However, the absence of limitations in the updated definition could potentially lead to unintended use of geographic number that ultimately diminishes the purpose and intent of having the geographic number ranges. For instance,

¹ ACCC, [Public inquiry into the declaration of the domestic transmission capacity service, fixed line services and domestic mobile terminating access service, Final Report – MTAS](#), 21 June 2024 pp 22-25, Telstra, [Supplementary submission in response to the Public inquiry into the declaration of the domestic transmission capacity service, fixed line services and domestic mobile terminating access service – draft report](#), April 2024, p 16; Optus, [Submission in response to the Public inquiry into the declaration of the domestic transmission capacity service, fixed line services and domestic mobile terminating access service – draft report](#), February 2024, pp 16, 17; TPG Telecom, Response to the ACCC Request for Information date 15 August 2023, pp 10–11; [Supplementary submission in response to the Public inquiry into the declaration of the domestic transmission capacity service, fixed line services and domestic mobile terminating access service – draft report](#), April 2024, p. 2.

permanent use of a geographic number in a different location than what is suggested by the number could, in the longer term, erode consumer perception and trust that the geographic number they are seeing accurately indicates the locality of the caller.

We suggest that the ACMA more clearly define the meaning of 'portable location' or include limitations on the use of geographic numbers at 'portable locations' to ensure that it only captures circumstances where the ACMA considers appropriate to prevent potential misuse. In addition, the ACCC notes that using the term 'portable' may cause potential confusion with the concept of 'number portability' and suggest that the ACMA explore using a different term in this context.

Smartnumbers

The ACCC acknowledges and supports the proposal to allow cancellation of Enhanced Rights of Use for smartnumbers used in scams. This aligns with the 2022 variation to the Numbering Plan, which gave the ACMA power to withdraw numbers from carriage service providers if there was evidence that a number was used in a scam activity.

Pre-selection determination

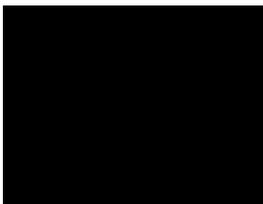
The ACCC confirms its support for the proposed sunseting of the Pre-selection Determination. Given the declining relevance of this service in the current market, we believe this is an appropriate step and do not expect any impact on our fixed originating access service declaration.

Number portability

The ACMA cannot make a new Numbering Plan with portability provisions unless it is directed to do so by the ACCC. ACCC staff are engaging with ACMA staff regarding the directions required for the ACMA to make a new Numbering Plan, including the proposal to consider making a new public number range for Internet of Things portable. We understand the ACMA intends to retain the current number portability provisions in the new Numbering Plan. Given the need to make the new plan by 1 April 2025, at this stage we are minded to make directions regarding the existing local number and mobile number portability provisions but are not yet in a position to make directions regarding the Internet of Things number range. If, after consultation, the ACMA is minded to make the proposed public number range for Internet of Things portable, the ACCC will consider further public consultation on this issue.

If we can provide any further information or assistance, please contact [REDACTED] at [REDACTED].

Yours sincerely



Catriona Lowe
Deputy Chair