

Telstra Group’s Compliance History – Public Version

Telstra is a large company that operates in a wide variety of domestic and international markets, many of which are complex and heavily regulated. We have a strong focus on compliance and are transparent and proactive in resolving any mistakes and issues that arise.

This appendix summarises our public compliance history over the last ten years relating to our intended activities as an energy retailer. We provide this public version to ensure the ESC is able to undertake a proper and transparent consideration of our licence application. We believe the small number of breaches over the last ten years and the rectification Telstra undertakes when things go wrong, reflects Telstra’s commitment to compliance and transparency. At times Telstra has been subject to compliance enforcement actions where it has failed to fully meet its obligations including significant monetary penalties and enforceable undertakings. Further information in relation to each of the matters below is available from the relevant regulators’ websites and at the relevant links provided.

Privacy

Telstra treats the information of its customers with the utmost care. In instances where our systems or processes have not worked, Telstra notified the Office of the Australian Information Commissioner (OAIC) and, where relevant, the Australian Communications and Media Authority (ACMA), promptly took action to prevent further breaches, and worked with our regulators to remediate the issues. Telstra includes the following privacy issues over the past ten years in this public compliance history:

- <https://www.oaic.gov.au/privacy/privacy-decisions/investigation-reports/telstra-corporation-limited-own-motion-investigation-report-2014/>
- <https://www.acma.gov.au/investigations-telco-providers-2010-2016> (report dated March 2014)
- <https://www.oaic.gov.au/privacy/privacy-decisions/investigation-reports/telstra-corporation-limited-own-motion-investigation-report-2012/>
- <http://www8.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/AICmr/2014/118.html>
- <https://www.oaic.gov.au/privacy/privacy-decisions/investigation-reports/telstra-corporation-limited-telstra-own-motion-investigation-report-2011/>

Investment in and supply of infrastructure

As a telecommunications carrier, Telstra faces regulation in relation to its building of infrastructure and supply of services relating to that infrastructure. In few instances over the last ten years, Telstra has missed a performance benchmark, has not adequately consulted with stakeholders when removing or adding infrastructure, had experienced difficulty in supplying emergency call services, and had not supplied a service to third parties when required to do so. In each case, Telstra has undertaken remedial action. Telstra includes the following issues in relation to its investment in and supply of infrastructure over the past ten years in this public compliance history:

- <https://www.theaustralian.com.au/business/business-spectator/news-story/acma-hits-telstra-with-record-fine/7be513e69d3c9d1cec400e3585fdc35b>
- <https://www.acma.gov.au/investigations-telco-providers-2010-2016> (report dated January 2014)
- <https://www.acma.gov.au/publications/2019-09/report/telstra-corporation-ltd-formal-warning-may-2019>
- <https://www.acma.gov.au/publications/2019-11/report/enforceable-undertaking-telstra-corporation-ltd-october-2018>
- <https://www.accc.gov.au/media-release/18-million-penalty-imposed-on-telstra>

Billing

There have been instances where Telstra incorrectly billed customers. Telstra has promptly refunded customers who had paid more than necessary. Telstra includes the following billing issues over the past ten years in this public compliance history:

- <https://www.smartcompany.com.au/finance/economy/telstra-overcharges-customers-30-million-prompting-the-acma-to-issue-a-formal-warning/>
- <https://www.acma.gov.au/articles/2020-11/acma-directs-telstra-after-it-overcharged-customers-almost-25-million>

Marketing and advertising

Telstra faces regulation in relation to how it advertises and markets to customers. At times over the last ten years, Telstra has made telemarketing calls incorrectly, has incorrectly made representations to customers and, alongside other telecommunications retailers, has been required to change the way we advertise telecommunications products and services. Telstra includes the following marketing and advertising issues over the past ten years in this public compliance history:

- <http://www5.austlii.edu.au/au/journals/AJCMAsphereNlr/2009/74.pdf>
- <https://www.accc.gov.au/media-release/telstra-pays-102000-penalty-following-accc-infringement-notice-for-iphone-6-advertisement>
- <https://www.accc.gov.au/media-release/telstra-to-pay-10-million-for-misleading-premium-billing-charge-representations>
- <https://www.accc.gov.au/media-release/telstra-refunds-93m-to-72000-customers-0>
- <https://www.accc.gov.au/media-release/telecommunications-market-leaders-agree-to-raise-the-bar-on-clarity-in-advertising>
- <https://www.accc.gov.au/media-release/telcos-on-notice-about-false-and-misleading-advertising>

Providing information to customers

Telecommunications companies are required to provide certain information to customers. At times over the last ten years, Telstra has not provided the required information, or provided the wrong information. Telstra has included the following issues in relation to our supply of information to customers over the last ten years in this public compliance history:

- <https://www.acma.gov.au/publications/2019-11/publication/telstra-formal-warning-november-2019>
- <https://www.acma.gov.au/articles/2019-03/telcos-warned-about-disability-information-failures>
- <https://www.accc.gov.au/media-release/telstra-commits-to-improving-its-compliance-with-the-australian-consumer-law>
- <https://www.accc.gov.au/media-release/telstra-offers-to-compensate-42000-customers-for-slow-nbn-speeds>

Equivalence

As a vertically integrated telecommunications provider, Telstra entered into a Structural Separation Undertaking with the ACCC. Telstra's compliance with that undertaking is reviewed annually by the ACCC. Instances where Telstra has not met its obligations are reported to the ACCC on a monthly basis and at times Telstra has implemented rectification plans approved by the ACCC. These are summarised in the ACCC's annual compliance reports.¹

Supply of retail services

Telstra also faces many regulations in the supply of its complex range of telecommunications services. There were times over the past ten years when Telstra did not meet some of those obligations in relation to managing customer complaints, selling practices, and other activities

¹ <https://www.accc.gov.au/publications/telstras-structural-separation-undertaking>

required in relation to the supply of retail services. Telstra has included the following issues relating to our supply of retail services over the past ten years in this public compliance history:

- <https://www.acma.gov.au/publications/2019-09/publication/telstra-formal-warning>
- <https://www.acma.gov.au/investigations-telco-providers-2010-2016> (report dated July 2013)
- <https://www.accc.gov.au/media-release/telstra-in-court-over-unconscionable-sales-to-indigenous-consumers>
- <https://www.acma.gov.au/publications/2019-11/publication/carrier-licence-conditions-priority-assistance>
- <https://www.acma.gov.au/publications/2020-09/report/remedial-direction-and-direction-comply-telstra-corporation-limited>
- <https://www.acma.gov.au/articles/2020-08/telstra-optus-tpg-and-dodo-breach-nbn-service-continuity-rules>
- <https://www.acma.gov.au/articles/2021-05/telstra-pays-15-million-penalty-breaching-customer-rights>
- <https://www.acma.gov.au/publications/2021-05/report/investigation-report-and-formal-warning-telstra-corporation-limited-may-2021>