

Submission to the Senate Economics Legislation Committee Inquiry into the Scams Prevention Framework Bill 2024

Submitted by: Dr Mohiuddin Ahmed, School of Science, Edith Cowan University

The Why

Australia is one of the wealthiest countries in the world, full of natural resources and has a comparatively small population. Scammers find Australians a lucrative target because the potential return on their investment is very high. The voluminous quantity and significant losses because of scams suggest Australia needs a more practical and effective countermeasure than ever. The Scams Prevention Frameworks Bill 2024 is a positive step towards protecting Australians from scammers. This framework is designed to put more responsibility on banks, telecommunication companies and digital platforms.

The Regulatory Burden

Regulated entities need to invest a significant amount of resources, including cash to implement and maintain the framework. However, they must emphasise business revenue and customer satisfaction or retention. The regulated entities will likely try to pass these costs or regulatory burdens on to consumers, which may have a negative impact on their business and customer dissatisfaction. The government must support the regulated entities in striking a balance between their revenues and the implementation of the framework.

Consumer Education

The world around us is more connected than ever in this age of the Internet of Everything. Like the regulated entities of the framework, it is equally important to focus on the consumer's scam readiness, as anyone using a smartphone is a potential scam victim. The government can lead initiatives to uplift scam awareness and improve scam hygiene in collaboration with banks, telcos, and digital platforms. Imposing a scam awareness license like a driver's license may have some challenges. However, it is much needed to make consumers aware of their actions and be better prepared for sophisticated scams. The government should consider developing a mobile application for scam education attached to the MyGov app. This application will potentially reach more consumers with continuous updates on the emerging trends of scams. Then, the regulatory burden will fall equally on the consumers and the proposed and future regulated entities.

Recommended Best Practices

- Government entities such as the National Anti-Scam Centre and ScamWatch can work with banks, telcos, digital platforms, and other service providers exploited by scammers to deliver a unique solution nationally.
- It is important to focus on international collaboration with law enforcement and intelligence agencies to track down scammers and take appropriate action against them.
- It is essential to regularly review the usage of emerging techniques such as Generative Artificial Intelligence, Quantum Computing, and the scam ecosystem in accordance with the principles of Prevent, Detect, Respond, and Disrupt.