

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into Social Media and Australian Society

Department: Department of the Treasury
Topic: Scam activity costs
Reference: Spoken p.8 (25 June 2024)
Senator: Kate Thwaites

Question:

CHAIR: I have two quick follow-ups to ask and then I'll go to Ms Daniel. One is: is that consumer follow-up particularly difficult because in general these platforms don't have representatives in Australia that people are able to contact? The second is: do you have figures on how much scam activity there is on these platforms and what it's costing Australians?

Mr McDonald: On the first question, yes, I think the lack of effective internal dispute resolutions within Australia and people to contact is an issue. We can tend to think of issues with the Consumer Law as only being about the capacity of the ACCC to take legal action, but that's the pointy end of the spear. For most places, if there's a physical store, you can take a product back and say, 'This isn't working. Can you fix it?' and they will or they nearly always will. But you don't have that same capacity. Both knowing where to go and how to do it— often, if you get to the right place, you can get the right answer, but it can be like looking into the ether and not knowing.

In relation to scams, I think there would be data. I don't have it at my fingertips, so I have to take that on notice. But the ACCC's National Anti-Scam Centre has published material on this, and my recollection of that data is that digital platforms and social media are a significant and growing sector for scam activity. I just don't have the figures off the top of my head.

CHAIR: If you could take that on notice, that would be great.

Mr McDonald: I'm happy to take it on notice.

Answer:

The National Anti-Scam Centre's *Targeting Scams* report, published in April 2024, indicates that in 2023 the Scamwatch service received 17,542 reports and \$93.5 million in theft form scams where social media (a social network or an online forum) was a contact method. These figures are a sub-set of the 301,778 reports and \$477 million in theft reported to Scamwatch in 2023.