

# **Scam Prevention Framework**

**Public Submission of NBN Co**

**4 October 2024**

## 1. Introduction

NBN Co (**nbn**) welcomes the opportunity to provide feedback on the Government's proposed Scam Prevention Framework (**SPF**), including draft legislation and explanatory materials.

**nbn** is the Government Business Enterprise (**GBE**) responsible for the construction and operation of the **nbn** network in accordance with Commonwealth Government policy. **nbn** is committed to responding to the digital connectivity needs of all Australians; working with industry, governments, regulators and community partners, to lift the digital capability of Australia.

**nbn** is required by legislation to operate as a wholesale-only, open access, non-discriminatory operator. In doing so, **nbn** has developed wholesale products that Retail Service Providers (**RSPs**) use as inputs to their own retail products. This is intended to level the playing field in the Australian telecommunications industry, enhancing competition and innovation, and providing greater choice for customers across the country.

## 2. **nbn** supports the need for a co-ordinated approach to scams

We understand that the intention of the draft SPF is to:

- Empower the Minister to designate particular sectors to which the framework will apply - which will initially be telecommunication service providers, banks and certain digital platform providers (social media, paid search engine advertising and direct messaging services).
- Set out high level principles in legislation that require designated sectors to prevent; detect; report; disrupt; and respond to scams, and to establish governance systems.
- Provide for the development of industry specific Codes that set out the obligations for each designated sector in greater detail.
- Require designated sectors to have internal dispute resolution mechanisms for scams and provide for the nomination of an external dispute resolution (**EDR**) scheme(s).
- Mandate reporting and information sharing across industry and government.

**nbn** supports the need for a co-ordinated approach such as the draft SPF to ensure that businesses are taking reasonable steps to detect and disrupt scams, in order to protect Australian consumers. Scams are a significant issue in the global economy for both businesses and consumers, with Scamwatch figures indicating a loss of around \$2.7 billion from Australian consumers in 2023.

### 3. nbn looks forward to working with Government, regulators and industry as further details of the framework are developed

As outlined above, the draft SPF is structured in a way that allows most of the specific details to be set out in registered Codes and other subordinate instruments. This is a practical approach that will enable a responsive and adaptable prevention framework, as scammers shift and evolve their practices over time.

We look forward to working together on the remaining questions, which will be critical to successful implementation of the SPF, such as:

- the precise definition of the designated sectors;
- the industry specific requirements; and
- how the EDR processes will operate in practice – particularly in circumstances where a scam complaint may involve multiple sectors.

These details will have significant impact on how the new legislative regime is operationalised and what actions businesses may need to take to ensure compliance. Before these important details are settled, it is difficult to provide feedback in relation to matters such as implementation challenges or transitional requirements. However, we look forward to continuing to work with Government, the Australian Communications and Media Authority (**ACMA**) and industry as further details of the framework are developed and considered.

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One potential adjustment to the draft legislation that the Government may wish to consider would be to make the SPF framework less binary. Under the current draft legislation an entity is either part of a designated sector, in which case all the obligations under the SPF apply, or an entity is not part of a designated sector and has no SPF obligations. If the legislation were amended to enable partial designation (i.e. designation that applied only certain specified obligations to a particular sector but not others) this might improve the flexibility of the SPF going forward. In particular, as scams evolve over time the Government may wish to include more sectors within the framework, but only in respect of some obligations and not others. For example, a reporting obligation may be appropriate to extend to a broader range of sectors than an obligation to detect and disrupt scams.

**nbn** is impacted by scams primarily as an entity that is sometimes impersonated by scammers. In this way, given our very limited visibility of the communications carried over our networks, we are no different to other organisations such as the ATO, toll roads or Australia Post, that are frequently impersonated by scammers, but are not in a special position to take action to disrupt, detect or prevent scams. However, **nbn** does seek to educate the community in relation to **nbn** impersonation scams and to pass on details of nbn impersonation scams that are brought to our attention to relevant authorities.

## Submission on draft legislation to implement the Scam Prevention Framework

**nbn** has developed an ongoing scam awareness and education campaign for its stakeholders, customers, and the wider community, to help drive awareness about the risk of scammers impersonating **nbn**, and educate Australians to help them identify scammers, so they can take action to protect themselves. The campaign leverages information and data sourced via Scamwatch and ID Care to create and deliver an integrated approach including:

- an ongoing series of national community information sessions;
- consumer and community media; and
- a social and digital campaign featuring video and news content.

**nbn** hosts information on its website at [www.nbn.com.au/scamadvice](http://www.nbn.com.au/scamadvice), which includes ways to identify and avoid potential scammers, or to seek assistance if you suspect you have been scammed. We have also produced additional materials to enable **nbn**'s stakeholder engagement teams to continue the conversation with local communities and businesses. Our scam education program of work was selected as a finalist in the 2022 AISA awards in the category – 'Cyber Security Outreach Program of the Year' in October 2022.

As a result of these measures **nbn** impersonation scams do appear to be reducing in both frequency and the magnitude of reported losses. **nbn** meets monthly with Scamwatch to share scam intelligence and discuss trends in these activities.