



## **Senate Economics Committee - Budget Estimates 2023 - 24**

### **Opening Statement**

**Gina Cass-Gottlieb, ACCC Chair**

**31 May 2023**

Good afternoon Chair and Senators.

I would like to Acknowledge the Ngunnawal people, the traditional owners and custodians of the land where the Australian Parliament sits. I pay my respects to them, their culture and Elders past, present and emerging.

The ACCC is very pleased to be here before the Committee. Today I am joined by ACCC CEO Scott Gregson and members of my senior management team both in person and online.

Since the ACCC last appeared before this Committee in February this year, there have been a number of significant developments for our agency. Before proceeding to questions, I would like to touch on a few of these. In the Federal Budget, the Government announced the establishment of a National Anti-Scam Centre within the ACCC.

Combatting scams continues to be a priority for the ACCC and of great importance to the Australian public, who, as noted in the ACCC's most recent Targeting Scams Report, reported record losses of \$3.1 billion to scams in 2022.

The National Anti-Scam Centre will bring together expertise and resources across a range of agencies, law enforcement and the private

sector to disrupt scammers making contact with Australians, raise consumer awareness about how to avoid scams, and link scam victims to services where they have lost money or had their identity compromised.

The first phase of this program will involve a substantial technology build, to create the necessary infrastructure to enable the NASC to:

- Receive a report of a scam from any institution (private or government) or person and centralise this intelligence;
- Distribute data to those who need it most – such as banks to freeze an account, telcos to block a call, digital platforms to take down a website or account; and
- Analyse and act on the trends sourced from this data to disrupt scams and help raise the community awareness of the activities of scammers.
- refer members of the public who are the victims of scams to the appropriate organisation for specialist assistance.

Thus through the NASC government agencies, law enforcement and the private sector will be able to collaborate to build and deploy this technology, disrupt scams and integrate victim support services. The work of the Centre will be greatly assisted by the establishment of enforceable industry codes with coverage and teeth.

On 28 April 2023 we released our sixth report in the Digital Platform Services Inquiry, which reported on social media services. The report examined competition between social media services in Australia and how consumers and businesses interact with social media services.

The report highlighted a range of harms to consumers and small businesses occurring across social media services, including excessive

data collection practices, lack of effective dispute resolution options, prevalence of scams and increasing losses to scams on social media services, lack of transparency for advertisers and inadequate disclosure of sponsored content by influencers and brands.

These harms reinforce the need for reforms to safeguard consumers and small businesses as recommended in the fifth report of the Digital Platform Services Inquiry. The ACCC continues to support an economy-wide ban on unfair trading practices that occur online and offline that are not currently covered by the Australian Consumer Law. In addition, the targeted measures we consider necessary include mandatory processes requiring:

- A notice and action mechanism that allows users to report a scam, fake review or harmful app, and requiring the platform to take action in response, communicate its actions, share information on the scam or harmful app with relevant agencies, and offer redress, as appropriate;
- Platforms to verify certain business users, including advertisers, app developers and sellers, to minimise scams and harm apps, and additional verification of advertisers of financial services and products, recognising that \$1.5 billion were lost to investment scams in 2022; and
- Public reporting on mitigation efforts.

We look forward to answering the Committee's questions today.