

11 January 2026

To the Department of Treasury

By email: scampolicy@treasury.gov.au

RE: Scams Prevention Framework – Draft law package and position paper

The Internet Association of Australia Ltd (**IAA**) thanks the Department of Treasury (**Treasury**) for the opportunity to respond to the consultation on the Scams Prevention Framework – Draft law package and position paper.

IAA is a member-based association representing Australia's Internet community. Our membership is largely comprised of small to medium sized Internet service providers, many of which also provide other services, including voice and messaging services proposed to be 'covered telecommunications services' under the proposed *Competition and Consumer (Scams Prevention Framework—Regulated Sectors) Designation 2025* (**Designation**). As such, we provide our response to the Treasury in representation of our members, many of which represent the smaller entities within the telecommunications sector with a substantially smaller customer base, as well as for the overall public good of the telecommunications and internet sector.

IAA and our members recognise the serious negative impact scam activity is having on Australian individuals and businesses. We also recognise the important role of telecommunications as a service being misused to conduct scam activity, and therefore the role of the telecommunications industry to play its part in combatting scams. We are proud to be part of an industry that takes combatting scams seriously, having developed, implemented and maintained co-regulatory instruments and practices to reduce scam calls and messages to protect Australian consumers. To that end, we welcome this opportunity to contribute to the continued development of the Scam Prevention Framework.

Due to the consultation falling over the Christmas and end-of-year period, we note our response is limited in scope and primarily focuses on the Designation as it applies to the telecommunications sector. We provide only limited feedback on the compliance costs associated with the proposed obligations for regulated entities as we understand there will be further opportunity to work alongside the Treasury, the ACMA as the sector regulator, other industry representatives, consumer representatives and all other relevant stakeholders in the development of any further rules to be prescribed under the Scam Prevention Framework to support the overarching principles, including the telecommunications sector-specific code.

Designation

- 8. *Is the proposed definition and operational scope of the telecommunications sector designation aligned with the objectives of the SPF?***
- 9. *Does the designation capture entities or services that should not be caught?***

Overall, we support limiting the designation of telecommunications services to voice and messaging services provided using a listed carriage service, and the exclusion of voice and messaging services that are provided wholly over the internet. Furthermore, we support the exclusion of internet services from the Designation given the limited knowledge and ability for internet service providers in relation to the content and purpose of communications occurring over the internet. However, we also consider the definitions provided in the proposed Designation do not sufficiently reflect the technical realities of telecommunications networks.

The proposed Designation currently captures all carriers and carriage service providers, in relation to their provision of the ‘covered telecommunication services’. We note there are many carriers and carriage service providers involved in the delivery of a voice and messaging service, with different entities playing different roles within the end-to-end communication delivery process. Thus the industry code, C661:2022 - *REDUCING SCAM CALLS and SCAM SMS* – which currently regulates the telecommunications sector in relation to scam activity – distinguishes between originating, transiting and terminating carriers or carriage service providers and establishes corresponding responsibilities for each provider in accordance with the entity’s role appropriate to the provider’s level of visibility and technical capability within the end-to-end communications delivery process.

While we anticipate that the sector-specific code for the telecommunications sector will go into greater detail on the different roles and responsibility of entities within the communications delivery process to combat scams, we consider it necessary to also establish in the Explanatory Statement for the Designation, if not in the Designation itself, that while the scope of the Designation is broad, the application of the obligations are to be proportionate according to the specific role of an entity within the communications delivery process.

SPF Code – Telecommunications

26. What additional compliance costs will businesses in designated sectors incur to meet the indicative code obligations proposed in this paper?

27. What is the type and quantum of these costs for individual businesses where estimable, and are they one-off or ongoing? Is additional expenditure beyond delivery of these obligations expected, such as for staffing, system upgrades or training to achieve readiness for the SPF?

Due to the compressed timeframe for consultation and the breadth of our membership, this submission does not provide specific details on the quantum of compliance costs which may vary between members. Nevertheless, we provide general feedback on compliance costs associated with the Scam Prevention Framework.

Proportionality

We reiterate the importance of proportionality as it relates to the application of the sector specific code for telecommunications (**SPF Code**) on different entities within the communications delivery process as discussed above.

Similarly, proportionality is crucial in relation to the regulation of rich communications services (**RCS**), which we understand is captured under the broad definition of ‘message service’, as outlined in the Explanatory Statement for the Designation. We understand the intent behind capturing RCS given these services can be integrated with carrier infrastructure and are not always an over-the-top messaging service. However, we consider it important to note that even where RCS is delivered

as an integral part of a carrier-service, the technical differences between SMS/MMS and RCS significantly reduces a carrier's visibility and control over RCS, and therefore the carrier's ability to combat scam activity occurring by use of the RCS. Thus, an entity's obligations in relation to combatting scams via RCS should differ to its responsibilities in relation to SMS/MMS.

We understand and appreciate that proportionality is already a key regulatory principle pursued by the Scam Prevention Framework. However, we consider it crucial that the SPF Code explicitly sets out that different expectations will be held proportionate to the role of an entity within the telecommunications system and depending on the type of service being provided.

Commencement Timeline and Regulatory Approach

We are concerned that the proposed timeframe is too short to *effectively* develop and implement the various elements of the Scam Prevention Framework under Part IVF of the *Competition and Consumer Act 2010 (CCA)*, including the SPF Codes and other rules. We understand that the Designation is currently proposed to commence from 1 July 2026, switching on the overarching principles-based obligations for regulated entities, with staged implementation for the remaining elements including the SPF Codes, so that the Scam Prevention Framework is fully operational by the end of 2027. We understand the intent to commence the operation of the Scam Prevention Framework and all its parts by the end of 2027 due to the serious harms being caused by scam activity against Australians. However, we are concerned that this is a relatively short timeframe for the development and implementation of new rules that are also complex in regulatory design given the overlap with existing regulation and establishment of new external dispute resolution processes.

In principle, we support a staged approach to implementation to allow for consultation throughout the development of the SPF Code and other rules. However, we note the potential compliance and enforcement implications in an environment where entities are obliged to comply with the overarching principles set out under Part IVF of the CCA where the SPF Codes are not yet in place to support an entity's understanding of how these principles apply to specific sectors. Particularly as compliance with the SPF Codes will be taken into consideration as to whether an entity took 'reasonable steps' under Part IVF of the CCA, we are concerned that industry will not have sufficient time to thoroughly understand its new obligations.

Based on the proposed timeframe set out in the Position Paper, we anticipate the Treasury will soon begin consultation on the SPF Codes with a view to completing the development of the regulatory instruments in 2026. We thus take this opportunity to express the importance of thorough and meaningful consultation, particularly in relation to telecommunications services which are more complex in nature. We reiterate the issues raised above in relation to the different roles played by various entities within a communications delivery system, as well as the technical differences between various voice or messaging services that limit an entity's ability to combat scams.

We further note the increasingly complex regulatory landscape for telecommunications, and that the Scam Prevention Framework is likely to cause confusion for industry due to the regulatory overlap. For example, obligations relating to an entity's internal dispute resolution will need to be consolidated with existing complaints handling regulation affecting the telecommunications industry. In particular, this regulatory burden will be disproportionately felt by small providers in the market who are captured by the broad scope of the Designation. Many of these small providers do not currently have dedicated regulatory personnel to unpack complex legislative obligations and

will need to engage lawyers to understand their compliance obligations in addition to making changes to their operational practices.

Thus, we strongly request that the Treasury's compliance and enforcement approach focuses on education and collaboration, with commitment that enforcement action will only be taken in serious cases that demonstrate negligent or wilful disregard for the new obligations under the Scam Prevention Framework. We consider an educative and collaborative approach will result in improved trust between government and industry, thereby improving the compliance efforts of industry which will better serve Australians and the Australian economy as scam activity is more efficiently and effectively combatted.

Once again, IAA appreciates the opportunity to contribute to the Scams Prevention Framework – Draft law package and position paper. We reiterate our commitment to working with the Treasury and other stakeholders to ensure the development of a fit-for-purpose Scams Prevention Framework that will better protect Australians from scam activity.

ABOUT THE INTERNET ASSOCIATION OF AUSTRALIA

The Internet Association of Australia (IAA) is a not-for-profit member-based association representing the Internet community. Founded in 1995, as the Western Australian Internet Association (WAIA), the Association changed its name in early 2016 to better reflect our national membership and growth.

Our members comprise industry professionals, corporations, and affiliate organisations. IAA provides a range of services and resources for members and supports the development of the Internet industry both within Australia and internationally. Providing technical services as well as social and professional development events, IAA aims to provide services and resources that our members need.

IAA is also a licenced telecommunications carrier and provides the IX-Australia service to Corporate and Affiliate members on a not-for-profit basis. It is the longest running carrier neutral Internet Exchange in Australia. Spanning seven states and territories, IAA operates over 30 points of presence and operates the New Zealand Internet Exchange on behalf of NZIX Inc in New Zealand.

Yours faithfully,
Internet Association of Australia