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Ombudsman

14 May 2024

Chair

SMS Sender ID Registry Consultation

Communications Services and Consumer Division

Department of Infrastructure, Transport, Regional Development, Communications and Arts

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Via email: [SMSsenderID@infrastructure.gov.au](mailto:SMSsenderID@infrastructure.gov.au)

Dear Chair

### **Short message service (SMS) sender identification registry consultation**

In 2022, small and family businesses in Australia reported losses of \$13.7 million to scams across 2,019 reports, according to a report by the Australian Competition and Consumer Commission. The report reveals that 'phone and email scams had the highest impact, accounting for \$10.8 million (79%) of the losses.<sup>1</sup> If a scammer gains unauthorised control of a number or service, they can hijack identities, obtain financial benefit, or fraudulently take control of Australians' digital lives.<sup>2</sup>

In considering whether the SMS Sender ID Registry should be voluntary or mandatory, it is important to bear in mind the impact on small and family businesses for each option. The consultation paper identifies that the registry is likely to be user-funded, and a determining factor of the financial cost to businesses is the model chosen.

The ASBFEO makes the following recommendations to determine the impact of each option on small and family businesses:

#### **Recommendation 1: The Australian Government should perform a cost-benefit analysis of mandatory vs voluntary registration on small businesses.**

We recommend that the government review the likely impacts to small and family businesses, including whether the additional cost and effort of registering will reduce the take-up of registering SMS alphanumeric codes by small and family businesses, and which levels of cost are likely to strike the right balance between recovering cost for taxpayers and motivating behavioural change by business operators to reduce the risk of scams. The government should also create separate and scaled registry-fee levels for micro, small, medium and large entities.

The increasing number, cost and complexity of regulations are imposing significant compliance and administrative burdens that are disproportionately borne by small businesses. Australia's 2.5 million small business added \$506 billion of value in 2021-22. Small businesses provide jobs for

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<sup>1</sup> Australian Competition and Consumer Commission (ACCC), Targeting Scams, Report of the ACCC on scams activity 2022, ACCC, Australian Government, April 2023, p. 12

<sup>2</sup> Australian Communications and Media Authority (ACMA), *Reducing the impact of Scams delivered via short message service (SMS) Regulation Impact Statement*, ACMA, Australian Government, June 2022, p. 9



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approximately 5.2 million Australians (or two out of five private sector jobs) and self-employment allows 1.6 million Australians to earn a reliable income while preserving autonomy and choice.<sup>2</sup>

Care should be taken that any new requirement is necessary, proportionate, efficient, takes account of existing obligations, and does not impede competition by needlessly complicating regulatory conditions for small businesses.

The ASBFEO recommends that governments implement right-sized regulation and that regulatory agencies consult with small business representative bodies – both to create ‘fit-for-purpose’ regulations and to ensure awareness among the small business sector of changes.

**Recommendation 2: The government should conduct a coordinated education and awareness campaign on the importance of scams and registering their unique alphanumeric code with the SMS Sender ID Registry.**

We acknowledge that scams are an increasing threat to Australian entities and consumers, however small businesses are time and resource poor, and may not be aware of the requirement or timeframe to sign up to the registry.

The ASBFEO is concerned that legitimate small businesses may fail to register before implementation and their messages may be labelled as ‘likely scam’ imposing a cost to small businesses and reducing productivity.

A coordinated education and awareness campaign for small businesses would improve their awareness and allow them to choose whether they wish to make use of a registered alphanumeric code to identify their business. This campaign should focus on how to register their alphanumeric code, as well as options to resolve disputes over name misidentification with another businesses.

**Recommendation 3: The Australian Communications and Media Authority should develop a robust and open dispute resolution process to resolve disputes over SMS Sender ID ownership.**

There is a risk that the registration process for the registry may create an opportunity for scammers to claim legitimate business names, leaving those small business owners vulnerable to being locked out of the registry. ACMA should develop robust dispute resolution processes to resolve SMS Sender ID ownership disputes. These guidelines should be clearly located on ACMA’s website and describe how disputes can be raised, what methods and criteria are used to resolve the dispute, and what timeframes will be applied.

Thank you for the opportunity to provide feedback. If you require any further information, please do not hesitate to contact the ASBFEO via email at [advocacy@asbfeo.gov.au](mailto:advocacy@asbfeo.gov.au).

Yours sincerely

**The Hon Bruce Billson**

Australian Small Business and Family Enterprise Ombudsman