

Perceptions survey:

Industry views on the
economic implications of the
Assistance and Access Bill 2018



Foreword



AustCyber’s mission is to support the development and growth of a vibrant and globally competitive Australian cybersecurity sector. Cyber Security is a young industry in Australia and as such has not yet developed an established industry voice when it comes to policy advocacy. Our role in policy advocacy is to identify barriers to the sector’s growth and to support its ecosystem and industry associations in their engagement in policy debate.

The Telecommunications and Other Legislation Amendment (Assistance and Access) Bill 2018 drew the attention of Australia’s cybersecurity and broader technology-based sectors, as well as domestic and international stakeholders who are vital to the success of the sector.

AustCyber appreciates the intent behind the legislation, as do many in our ecosystem, but we also know that a number of companies that we work with consider that the potential impact of the legislation on the growth of Australia’s cybersecurity sector and related industries has been underappreciated.

Our advocacy on this issue has been active for much of the year, including through support and advice provided to industry as well as by raising issues directly with government.

In November 2018, we identified an opportunity to more deeply explore industry views through a survey on the perceived potential economic impact of the draft Bill as it was at that time. We engaged with ASPI on this endeavour to ensure that the survey’s development, gathering of results and analysis were conducted independently of the cybersecurity sector.

Since the commencement of this survey, the Bill has been passed into law. In addition to the efforts of industry associations and other industry groups, the findings of this survey will now provide an evidence base for discussions on the legislation’s implementation and a reference for future industry consultation needs.

While the survey involved a comparatively small sample size, the results are compelling. In particular, there’s a clear opportunity to improve communication across the ecosystem and between government and industry. The public debate in the lead-up to and immediately following the passing of the legislation has resulted in perceptions (and misconceptions) that, if unaddressed, have the potential to harm the economic viability—and growth—of Australia’s cybersecurity sector.

AustCyber will continue to work constructively with stakeholders on this issue, helping to ensure that as many individuals and organisations as possible appreciate the impacts of the legislation on the economic growth of the cybersecurity sector.

We continue to be focused on achieving our mission. We are resolute: Australia’s cybersecurity sector has great potential and is critical to the nation’s economic prosperity and security. We will continue to promote this domestically and internationally.

Michelle Price, CEO, AustCyber – The Australian Cyber Security Growth Network



Executive summary

The Telecommunications and Other Legislation Amendment (Assistance and Access) Bill 2018 and the resulting legislation have been of significant interest to a range of Australian and international stakeholders. In public submissions through the consultation phase, various industry stakeholders and voices raised several concerns about the potential economic implications of the Bill.

To better understand the nature of those concerns and how they might be addressed, AustCyber (the Australian Cyber Security Growth Network) asked ASPI's International Cyber Policy Centre to develop and conduct an online survey of Australian industry. The survey was funded by AustCyber as part of its policy advocacy role, which is described in its funding agreement with the Australian Government.

The survey was conducted while the Bill was in draft, before the Parliamentary Joint Committee on Intelligence and Security (PJCIS) published its report and the Bill was amended.¹ For clarity, the responses and analysis throughout this report refer and relate to the draft Bill rather than the final legislation.

The survey was distributed to 512 start-ups, scale-ups, small and medium-sized enterprises (SMEs), large enterprises and peak bodies from the Australian cybersecurity industry in AustCyber's database as the sole channel for soliciting responses. Note that the survey isn't intended to be a representative sample of Australia's cybersecurity industry. Rather, it gauges the perceptions of a sample of firms in the database. While this is a modest sample size, the results provide insights into areas of industry concern that could be further explored and into opportunities to address them.

Three-quarters of the 63 respondents (76%) reported concern about the Bill. However, only 22% expected to be asked to assist the authorities under the most far-reaching provision in the Bill, a 'technical capability notice'.²

Some of the issues raised as key concerns by respondents were about perceptions and lack of clarity and are likely to be relatively easily addressed. For example, the top concern selected by respondents from a list was a 'lack of clarity around definitions' (nominated by 81% of the subsample who reported concerns with the Bill). 'Costs related to complying with notices' was the fourth highest ranked concern (52%), and only 5% expected government to cover all the costs of complying with the Bill. This is despite the Bill containing a mechanism to recover 'reasonable costs' of compliance under subsection 317ZK(3). After the survey period, additional definitions were also inserted.³

Addressing other perceived concerns will be less straightforward. The third highest ranked concern was 'perceptions that your company's product is less secure' (71%). This is consistent with views expressed by some Australian industry representatives to the PJCIS⁴ that the Bill might reduce the competitiveness of Australian technology products because of perceptions that they were less secure.⁵

Among exporting respondents (including those who planned to export in the next 12 months), 65% expected the Bill to have a negative impact on their company's business outside Australia (just 4% expected a positive impact, and 17% 'no impact'). For operations within Australia, a majority (57%) of all respondents expected a negative impact. Of the subsample that expected a negative impact on their Australian business, 69% thought it would last more than two years.

Introduction

The Telecommunications and Other Legislation Amendment (Assistance and Access) Bill 2018 attracted high levels of interest in the lead-up to its publication and during two short rounds of public consultation. That interest has continued since it became law on 8 December 2018.

Some 343 public submissions were made to the Department of Home Affairs' consultation on the exposure draft of the legislation (14 August – 10 September 2018), and 105 to the public consultation run by the Parliamentary Joint Committee on Intelligence and Security (PJCIS).

The AustCyber survey reported here ran online from 22 to 28 November 2018. AustCyber issued the survey via email invitations on 22 November and followed up with a reminder email on 27 November. From a total sample of 512 from the AustCyber industry stakeholder list, we received 63 completed surveys. ASPI has prepared this report and analysis.

Potential economic impacts

There are various ways the Assistance and Access Bill could have economic impacts for Australian industry. Four possibilities, some of which were clearly on respondents' minds, are outlined here.

First, compliance with three forms of requests or orders has direct costs:

- *A technical assistance request* may be issued by the head of an interception agency (federal, state and territory law enforcement or anticorruption agencies), the Australian Security Intelligence Organisation (ASIO), the Australian Secret Intelligence Agency or the Australian Signals Directorate. If a designated communications provider is asked to voluntarily provide assistance under a technical assistance request, that provider and its officers, employees and agents are granted civil immunity for the assistance.
- *A technical assistance notice* is a compulsory order that may be issued by the head of an interception agency or ASIO. If a designated communications provider is asked to provide assistance under a technical assistance notice, they must give that assistance if their current capabilities allow them to do so. A notice does not require a provider to build a capability or functionality that they don't already have in order to comply with the notice.
- *A technical capability notice* is a compulsory order that may be issued by the Attorney-General, at the request of the head of an interception agency or ASIO. If a designated communications provider is ordered to provide assistance under a technical capability notice, they must provide that assistance, including by building a capability or functionality to provide that assistance.⁶

The Bill makes provision for 'reasonable cost' recovery for companies that provide compulsory assistance, but there was a widespread perception among survey respondents that costs would not be recovered. As the Bill's explanatory memorandum states, 'The "reasonable costs" of compliance may be different from the actual costs of meeting the requirements in a notice.'⁷

Second, companies may be negatively affected if a perception exists that Australian encryption products, products with Australian encryption embedded in them, or both, are less secure than competitor products as a result of the Bill. Given that a level playing field will exist within the Australian market, this is more likely to be a problem for Australian exporters or for multinational firms doing business in Australia, whose products may be perceived to have been affected. Among respondents who exported or planned to export in the next 12 months, around two-thirds expected the Bill to have a negative impact on their business. The real impact of the Bill on exports of Australian technology products is hard to gauge and will depend on many external factors, such as how many other governments develop 'copycat' legislation and the results of early risk assessments by foreign government buyers of Australian products.

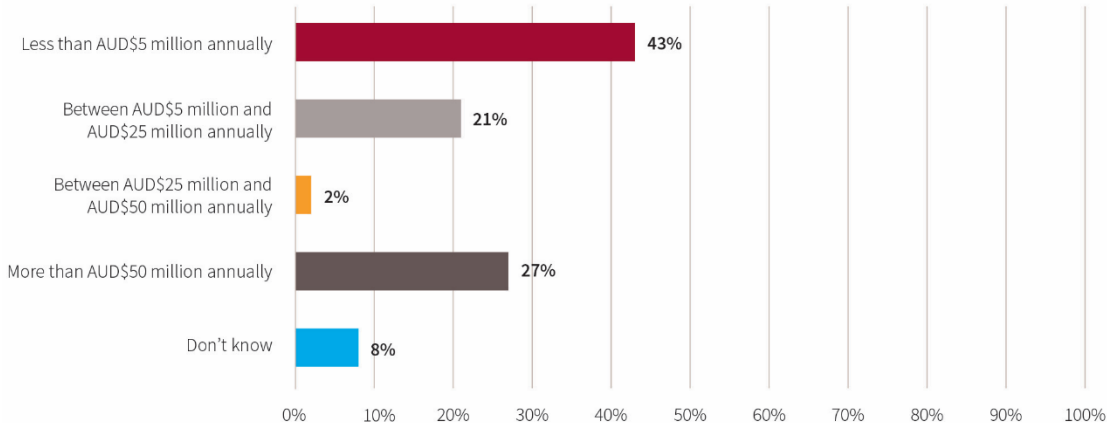
Third, within Australia, market participants that seek to manipulate their ability to comply with the law, may have added development costs. Under the provisions of the Bill, technical assistance and technical capability notices have to be 'practicable' and 'technically feasible'. This could create an incentive for companies to design their products so that providing access is not practicable or technically feasible, which would carry a cost.

The fourth broad potential cost could arise due to the poor or poorly thought through implementation of a technical capability notice. For example, if a company were asked to design a capability to access its product, there's a risk that it might inadvertently create a wider vulnerability, beyond what the company and the requesting government agency had anticipated or required. This could subsequently erode the overall security of the product, or be exploited by malicious actors. The impacts could include brand damage to the company, economic losses, supply-chain vulnerabilities and potential harm to customers and the broader ecosystem.

The respondents

Of the 63 respondents who completed the survey, most identified as SMEs; nearly two-thirds (64%) reported annual revenue less than \$25 million, and more than half (56%) reported fewer than 50 full-time employees. Just over a quarter (27%) reported annual revenue over \$50 million and having more than 100 full-time employees.⁸

Q27. What is the annual revenue of your company?



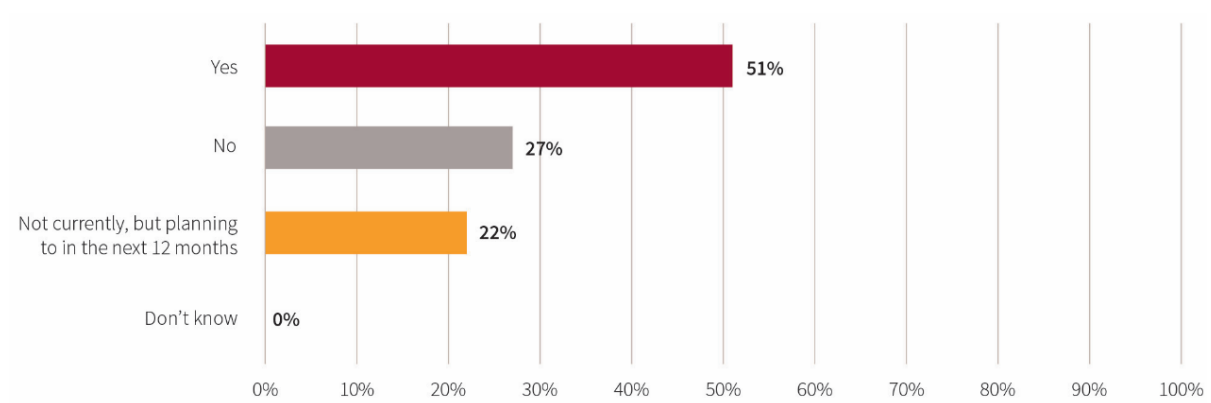
The most commonly reported products and services provided by respondents were security consultation services (51%), encryption (19%) and telecommunications products and/or services (17%). The high prevalence of security consultation service providers suggests that a significant proportion of respondents may be unlikely to be affected by the Bill's most far-reaching provisions. Within Australia, the top three sectors they sold to were the private sector (business to business, B2B) (89%), government (81%) and the academic/research sector (51%). Those respondents who said they exported reported the same top three sectors for sales outside Australia, albeit in different proportions of 84%, 53% and 44%, respectively (sales direct to consumers was also equal third at 44%). A quarter of respondents (27%) manufactured in Australia.

Results

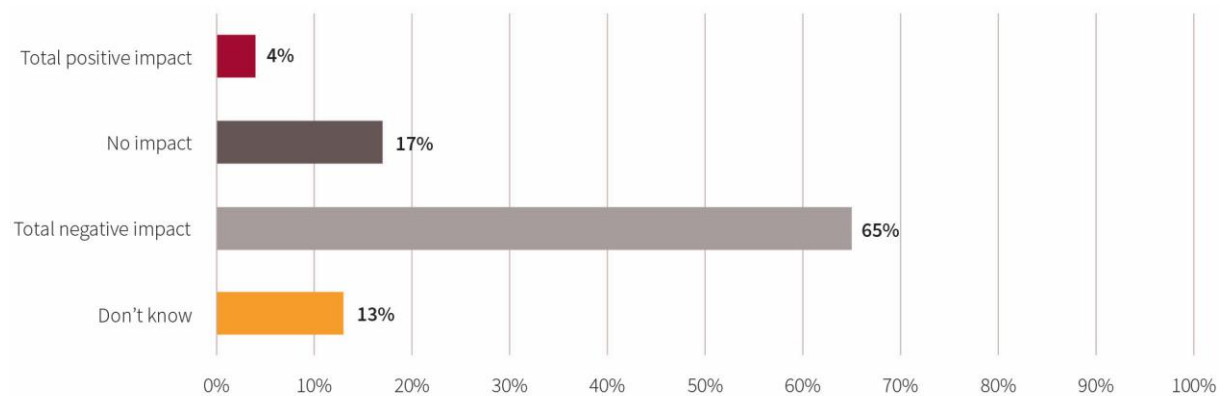
Perceived economic impact

A majority (51%) of respondents reported being exporters, and a further 22% reported that they were planning to export in the next 12 months. Of this subgroup of 46 respondents, 65% expected that the Bill would have a negative impact on their company's business outside Australia (37% expected that it would be 'very negative' and 28% 'somewhat negative'). Just 4% expected a positive impact and 17% 'no impact'. It is, of course, unclear to what extent the amendments to the Bill will have affected those perceptions.

Q8. Does your company export from Australia to other countries and/or have operations in other countries?

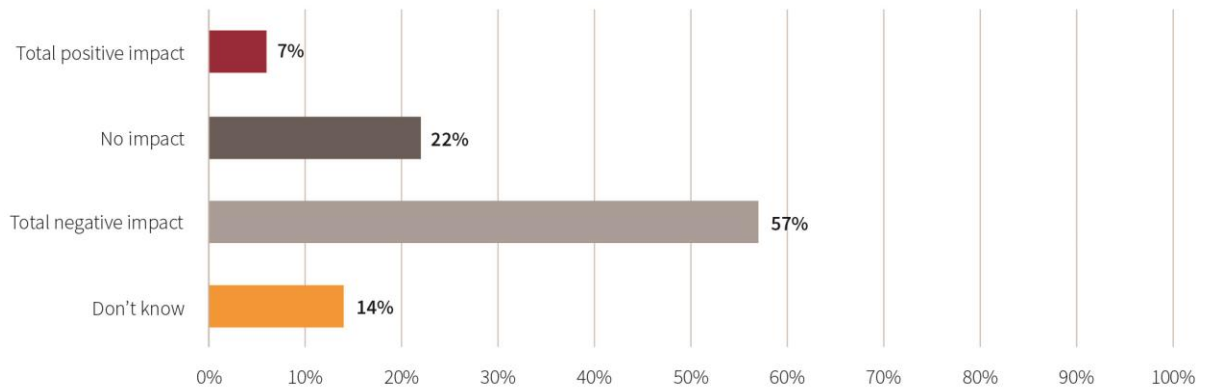


Q9. Do you think the proposed Assistance and Access Bill 2018 will have a positive impact, negative impact or no impact on your company's business outside Australia?



For operations within Australia, a majority (57%) of all respondents expected a negative impact (32% 'very negative' and 25% 'somewhat negative'). Just 7% expected a positive impact and 22% expected no impact.

Q10. Do you think the proposed Assistance and Access Bill 2018 will have a positive impact, negative impact or no impact on your company's business within Australia?

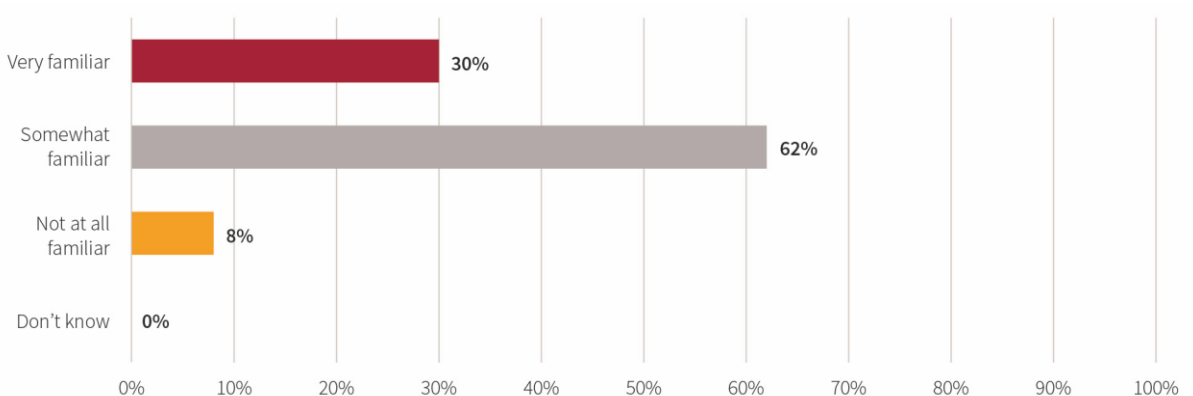


Of the subsample who expected a negative impact on their Australian business, 69% expected the impact to last more than two years.

Familiarity with the Bill and engagement in consultations

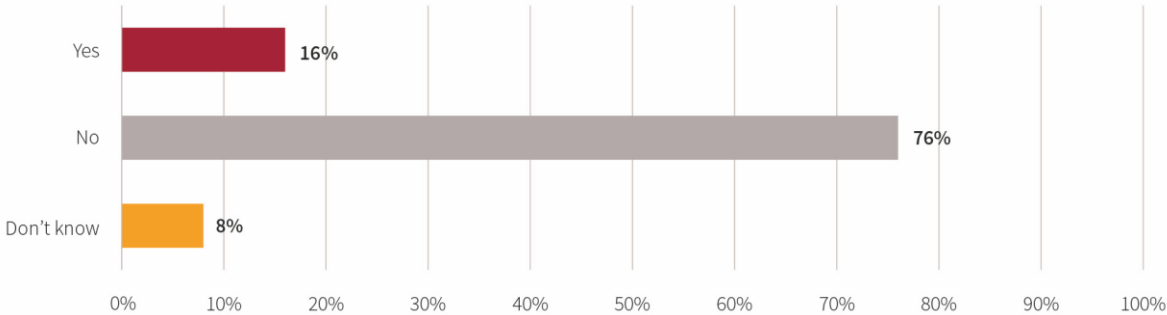
Most respondents (62%) said they were 'somewhat familiar' with the Bill, but nearly a third (30%) reported being 'very familiar'. The primary source relied on for information about the Bill was the Australian media (38%), followed by industry counterparts (16%). This relatively low level of knowledge about the Bill no doubt affected responses, but also shows the opportunity for increased communication with stakeholders in the cybersecurity community during implementation of the Bill.

Q2. How familiar are you with the contents of the draft Assistance and Access Bill 2018?

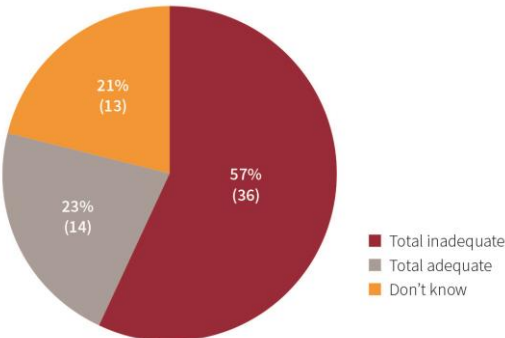


Only 16% of respondents reported making a submission on the Bill. Unsurprisingly, given the tight time frames and the small organisational size reported by most respondents, most (57%) said the time frame to respond to public consultations was either 'very inadequate' (38%) or 'somewhat inadequate' (19%). Just 23% described it as very or somewhat adequate.

Q4. Has your company made a submission regarding the draft Assistance and Access Bill 2018?

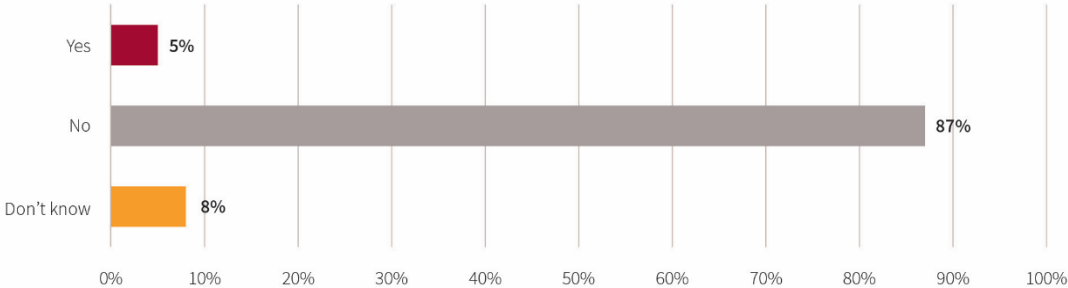


Q6. Do you consider the time frame you had to respond to the public consultations on the draft Assistance and Access Bill 2018 to have been adequate or inadequate?



Only three respondents (5%) said that they were consulted before the draft legislation's release.

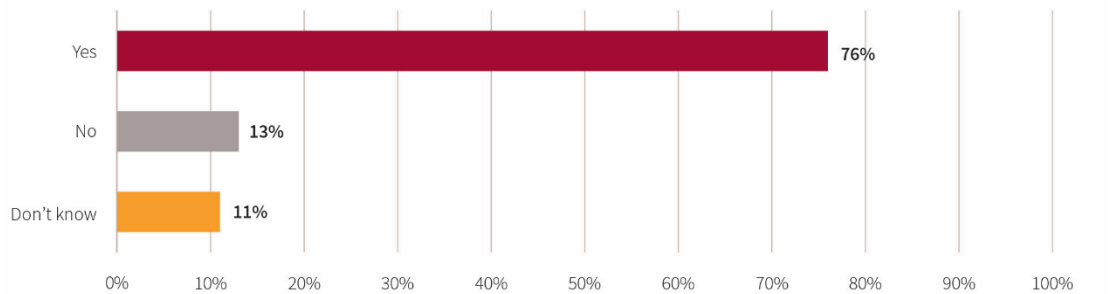
Q7. Were you consulted prior to the draft Assistance and Access Bill 2018 being publicly released?



Concerns with the Bill

Three-quarters (76%) of respondents reported concerns with the draft of the Bill at the time of survey.

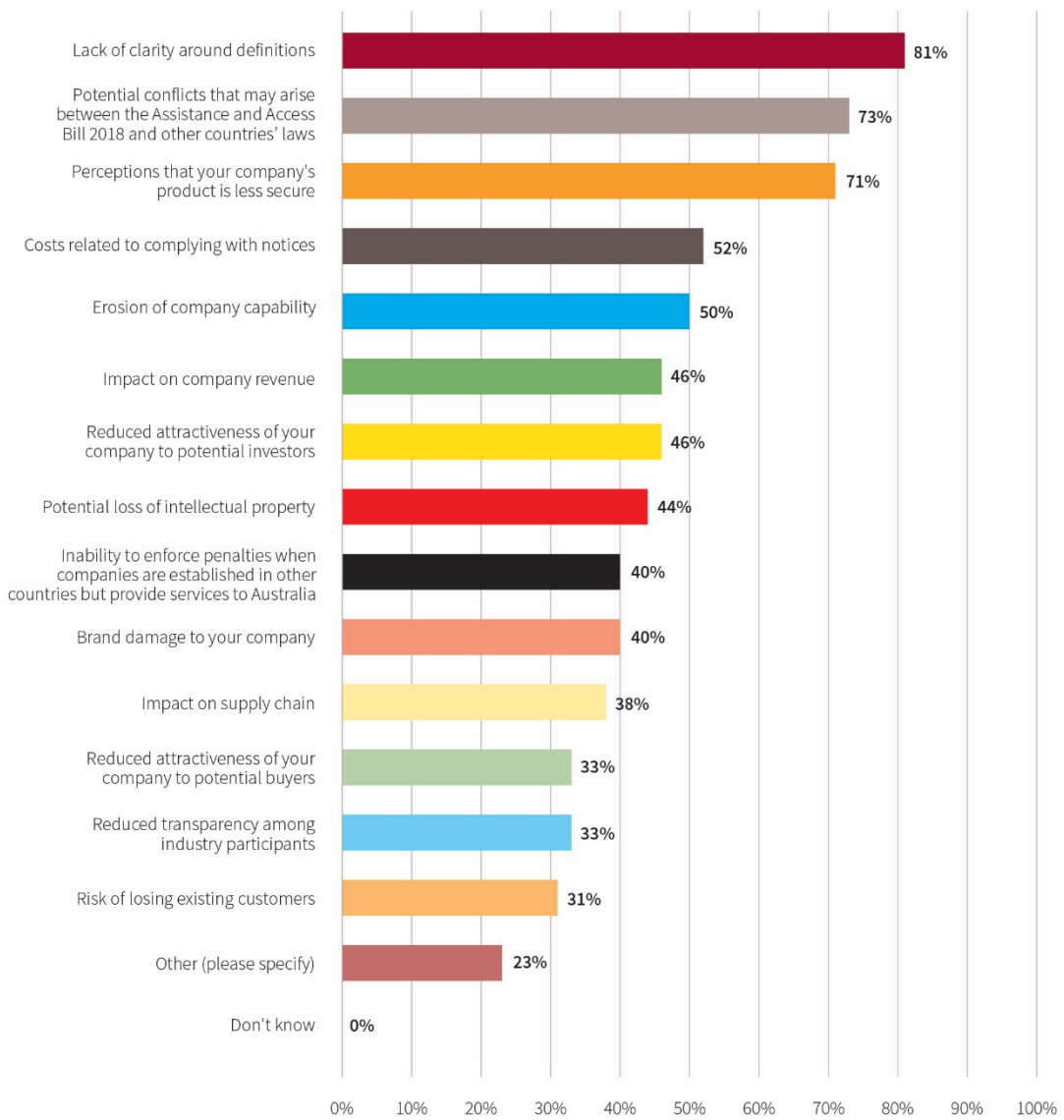
Q17. Does your company have any concerns with the current draft of the Assistance and Access Bill 2018?



This subsample of 48 respondents with concerns was presented with a list of 14 possible concerns about the Bill. The list was drawn up from issues raised by industry stakeholders with AustCyber and industry peak bodies. A majority of the subsample identified four of those concerns as reflecting ‘the concerns your company has with the current draft of the Bill and its impact on your company’:

- ‘Lack of clarity around definitions’ (81%)
- ‘Potential conflicts that may arise between the Assistance and Access Bill 2018 and other countries’ laws’ (73%)
- ‘Perceptions that your company’s product is less secure’ (71%)
- ‘Costs related to complying with notices’ (52%).

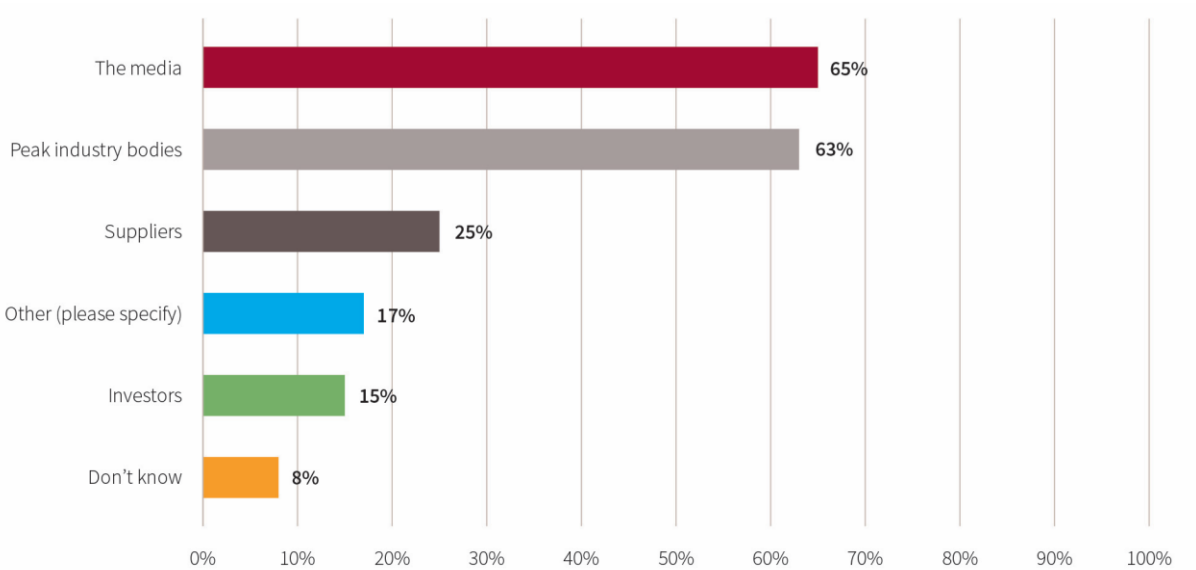
Q18. During the consultation process on the draft Assistance and Access Bill 2018 various concerns were raised. Do any of the following reflect the concerns your company has with the current draft of the Bill and its impact on your company?



A quarter of respondents (27%) reported that their customers had raised the subject of the Bill with their company. Of this subsample of 17 respondents, 15 characterised their customers' views as negative.

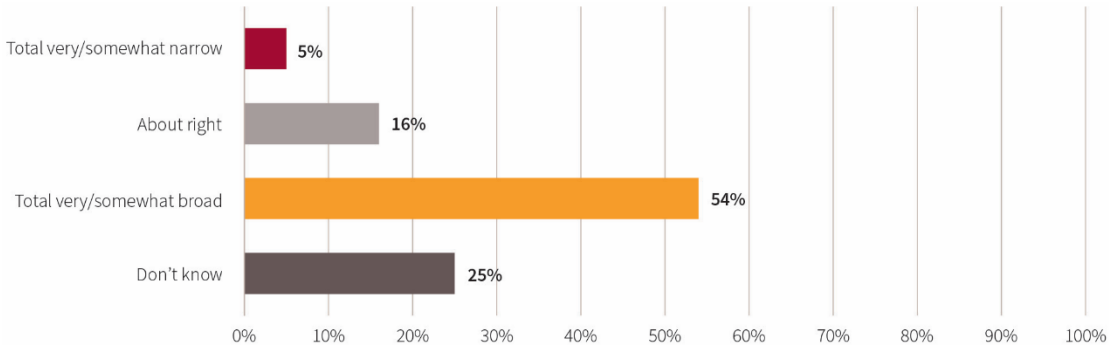
The vast majority of respondents (83%) had heard concerns raised by others besides their customers. Of the subsample (52) that had heard concerns raised, the top sources (selected from the list) were the media (65%), peak industry bodies (63%), suppliers (25%) and investors (15%). Again, this suggests that tailored communication with particular types of firms in the cybersecurity industry may help here.

Q16. And through which channel(s) were these concerns raised about the draft Assistance and Access Bill 2018? (multiple responses allowed)



On the scope of the Bill, a majority of respondents (54%) described the range of companies covered by the draft Assistance and Access Bill as very or somewhat broad, while just 5% described it as very or somewhat narrow and 16% as 'about right'.

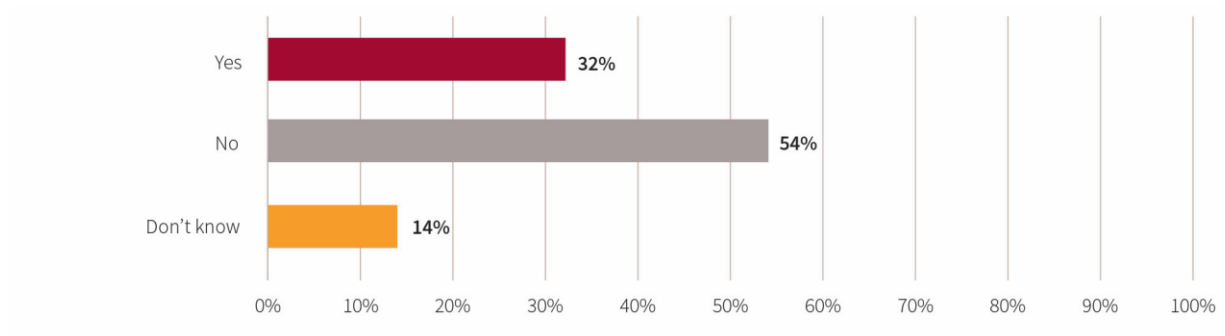
Q26. Thinking about the number and range of companies covered by the draft Assistance and Access Bill 2018, would you describe the coverage as very narrow, somewhat narrow, about right, somewhat broad or very broad?



International context

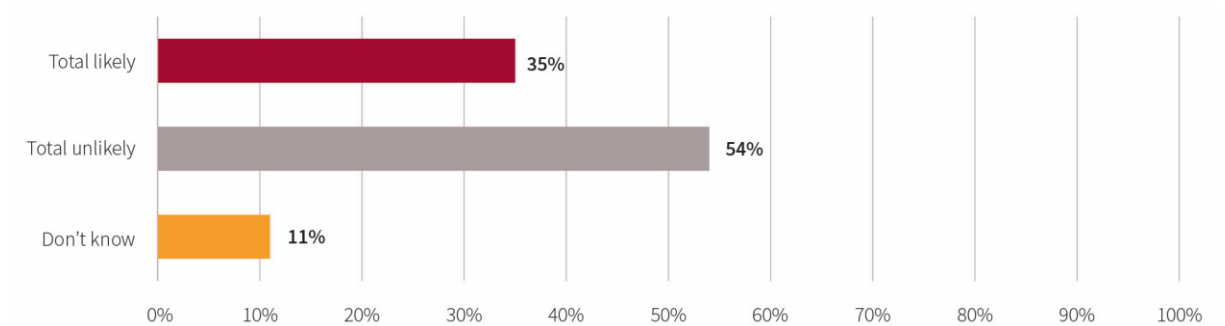
Most respondents (54%) reported being unaware of other countries having similar legislation to the draft Assistance and Access Bill. A third (32%) reported being aware of other countries with similar legislation, the most nominated countries being the United Kingdom (10 respondents), China (eight respondents) and the United States (eight respondents).

Q19. Are you aware of other countries that have similar legislation to the draft Assistance and Access Bill 2018?



Most respondents (54%) reported a perception that it was unlikely other countries would adopt similar legislation to the Assistance and Access Bill, while a third (35%) considered it likely.

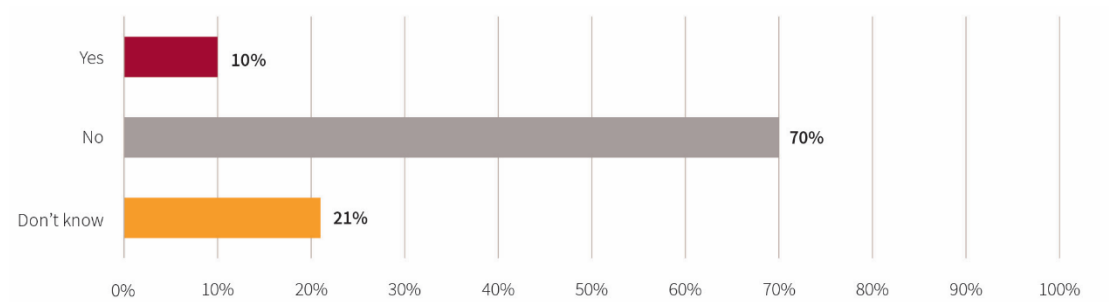
Q21. In the view of your company, are other countries likely or unlikely to adopt legislation similar to Australia's proposed Assistance and Access Bill 2018?



Likelihood of a request being made and cost of compliance

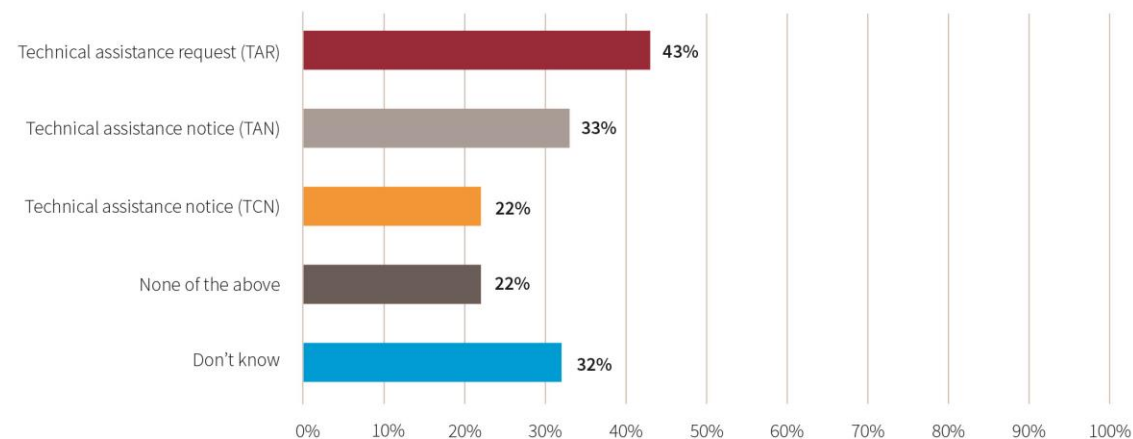
Only 10% of respondents reported their company ever being ‘approached by Australian law enforcement/security services to request assistance to access information about your customers that is otherwise held secure within your product or service’.

Q22. To date, has your company ever been approached by Australian law enforcement/security agencies to request assistance to access information about your customers that is otherwise held secure within your product or service?



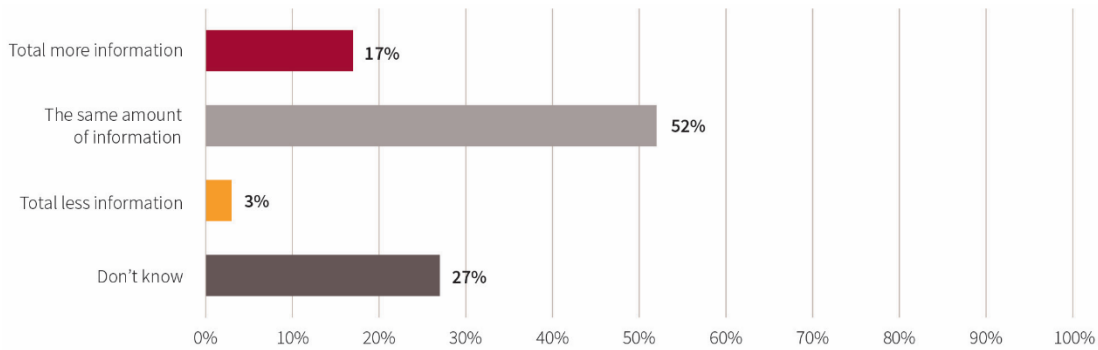
Were the draft Bill to become law, however, 43% anticipated being asked to assist via a technical assistance request, 33% via a technical assistance notice and 22% via the most far-reaching provision, a technical capability notice. The same proportion (22%) ticked ‘none of the above’, and a third (32%) ‘don’t know’.

Q23. If the draft Assistance and Access Bill 2018 becomes law, do you anticipate your company will be asked to assist government under any of the following three provisions currently in the Bill (multiple answers allowed)?



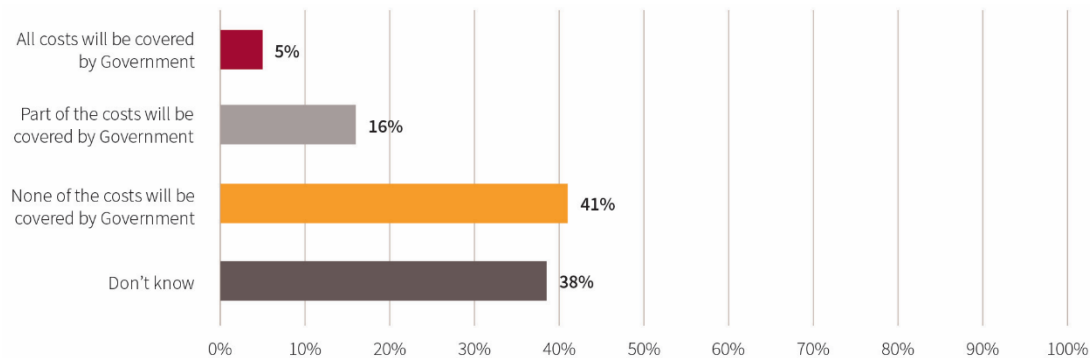
Interestingly, only 17% of respondents expected that their companies would be able to provide government with more information if the Bill were to become law, compared to the situation at the time of the survey. Most (52%) expected to be able to provide the same amount of information.

Q25. Compared to the current situation, if the draft Assistance and Access Bill 2018 becomes law, do you think your company will be able to provide to government more information, the same amount of information or less information?



Despite the Bill containing a mechanism to recover the costs of compliance set out in Schedule 1 (Section 317ZK), there was considerable uncertainty and scepticism about cost recovery. Over a third (38%) did not know whether government would cover the full costs of compliance, and 41% expected that 'none of the costs will be covered by government'. Only 5% expected that 'all costs will be covered by government'.

Q24. Do you anticipate that government will or won't cover the full cost to your company of compliance with the draft Assistance and Access Bill 2018?



Tables of results

In these tables, due to rounding, totals may not add to 100%. Each response option has been rounded individually, and grouped responses (for example, those who ‘somewhat agree’ plus those who ‘strongly agree’) have not been rounded at the group level.

Q1. Have you heard about the draft Assistance and Access Bill 2018, also referred to as the ‘encryption bill’?		
	Percentage	Number
Yes	88%	63
No	13%	9
Don’t know	–	–
	Answered	63

Q2. How familiar are you with the contents of the draft Assistance and Access Bill 2018?		
	Percentage	Number
Very familiar	30%	19
Somewhat familiar	62%	39
Not at all familiar	8%	5
Don’t know	–	–
	Answered	63

Q3. What has been the PRIMARY source you have relied on for information regarding the draft Assistance and Access Bill 2018?

	Percentage	Number
Australian media	38%	24
Industry counterparts (colleagues/competitors/suppliers)	16%	10
Government (Department of Home Affairs, Australian Cyber Security Centre (ACSC), etc)	13%	8
Industry peak bodies	13%	8
The Australian Parliament	10%	6
Other (please specify)	10%	6
Academia/think-tanks	2%	1
International media	-	-
Don't know	-	-
	Answered	63

Q4. Has your company made a submission regarding the draft Assistance and Access Bill 2018?

	Percentage	Number
Yes	16%	10
No	76%	48
Don't know	8%	5
	Answered	63

Q5. [IF YES TO Q4] Where did your company make its submission regarding the draft Assistance and Access Bill 2018?

	Percentage	Number
The Australian Parliament's Parliamentary Joint Committee on Intelligence and Security	50%	5
The public consultation conducted by the Australian Government's Department of Home Affairs between 14 August and 10 September 2018.	60%	6
Other (please specify)	20%	2
Don't know	10%	1
	Answered	10

Q6. Do you consider the time frame you had to respond to the public consultations on the draft Assistance and Access Bill 2018 to have been:

	Percentage	Number
Very adequate	2%	1
Somewhat adequate	21%	13
TOTAL ADEQUATE	23%	14
Somewhat inadequate	19%	12
Very inadequate	38%	24
TOTAL INADEQUATE	57%	36
Don't know	21%	13
	Answered	63

Q7. Were you consulted prior to the draft Assistance and Access Bill 2018 being publicly released?

	Percentage	Number
Yes	5%	3
No	87%	55
Don't know	8%	5
	Answered	63

Q8. Does your company export from Australia to other countries and/or have operations in other countries?		
	Percentage	Number
Yes	51%	32
No	27%	17
Not currently, but planning to in the next 12 months	22%	14
Don't know	-	-
	Answered	63

[IF YES TO Q4 or NOT CURRENTLY, BUT PLANNING TO] Q9. Do you think the proposed Assistance and Access Bill 2018 will have a positive impact, negative impact or no impact on your company's business outside Australia?		
	Percentage	Number
Very positive impact	2%	1
Somewhat positive impact	2%	1
TOTAL POSITIVE	4%	2
No impact	17%	8
Somewhat negative impact	28%	13
Very negative impact	37%	17
TOTAL NEGATIVE	65%	30
Don't know	13%	6
	Answered	46

Q10. Do you think the proposed Assistance and Access Bill 2018 will have a positive impact, negative impact or no impact on your company's business within Australia?		
	Percentage	Number
Very positive impact	2%	1
Somewhat positive impact	5%	3
TOTAL POSITIVE	7%	4
No impact	22%	14
Somewhat negative impact	25%	16
Very negative impact	32%	20
TOTAL NEGATIVE	57%	36
Don't know	14%	9
	Answered	63

[IF VERY/SOMEWHAT NEGATIVE IN Q10] Q11. How long do you anticipate this negative impact will last?		
	Percentage	Number
Less than 6 months	-	-
Between 6 to 12 months	-	-
Between 12 months and 2 years	8%	3
More than 2 years	69%	25
Don't know	22%	8
	Answered	36

Q12. To the best of your knowledge, have any of your company's customers raised the draft Assistance and Access Bill 2018 with your company?

	Percentage	Number
Yes	27%	17
No	52%	33
Don't know	21%	13
	Answered	63

[IF YES TO Q12] Q13. How would you characterise the nature of your customer(s) views about the draft Assistance and Access Bill 2018?

	Percentage	Number
Very positive	-	-
Somewhat positive	6%	1
TOTAL POSITIVE	6%	1
Neutral	6%	1
Somewhat negative	35%	6
Very negative	53%	9
TOTAL NEGATIVE	88%	15
Don't know	-	-
	Answered	17

[IF YES TO Q12] Q14. Where were the customer(s) located that raised the draft Assistance and Access Bill with your company? (multiple answers allowed)

	Percentage	Number
Australia	100%	17
Overseas	35%	6
Don't know	-	-
	Answered	17

Q15. Besides your customers, are you aware of others outside of your company raising concerns about the draft Assistance and Access Bill 2018?		
	Percentage	Number
Yes	83%	52
No	13%	8
Don't know	5%	3
	Answered	63

[IF YES TO Q15] Q16. And through which channel(s) were these concerns raised about the draft Assistance and Access Bill 2018? (multiple responses allowed)		
	Percentage	Number
The media	65%	34
Peak industry bodies	63%	33
Suppliers	25%	13
Investors	15%	8
Other (please specify)	17%	9
Don't know	8%	4
	Answered	52

Q17. Does your company have any concerns with the current draft of the Assistance and Access Bill 2018?		
	Percentage	Number
Yes	76%	48
No	13%	8
Don't know	11%	7
	Answered	63

[IF YES TO Q17] Q18. During the consultation process on the draft Assistance and Access Bill 2018 various concerns were raised. Do any of the following reflect the concerns your company has with the current draft of the Bill and its impact on your company?

	Percentage	Number
Lack of clarity around definitions	81%	39
Potential conflicts that may arise between the Assistance and Access Bill 2018 and other countries' laws	73%	35
Perceptions that your company's product is less secure	71%	34
Costs related to complying with notices	52%	25
Erosion of company capability	50%	24
Impact on company revenue	46%	22
Reduced attractiveness of your company to potential investors	46%	22
Potential loss of intellectual property	44%	21
Inability to enforce penalties when companies are established in other countries but provide services to Australia	40%	19
Brand damage to your company	40%	19
Impact on supply chain	38%	18
Reduced attractiveness of your company to potential buyers	33%	16
Reduced transparency among industry participants	33%	16
Risk of losing existing customers	31%	15
Other (please specify)	23%	11
Don't know	-	-
	Answered	48

Q19. Are you aware of other countries that have similar legislation to the draft Assistance and Access Bill 2018?		
	Percentage	Number
Yes	32%	20
No	54%	34
Don't know	14%	9
	Answered	63

[IF YES TO Q19] Q20. In your opinion, which country or countries have similar legislation to the draft Assistance and Access Bill 2018? (multiple responses allowed)		
	Percentage	Number
United Kingdom	50%	10
China	40%	8
United States	40%	8
Canada	10%	2
Korea, North	10%	2
Germany	10%	2
France	10%	2
United Arab Emirates	5%	1
Ireland	5%	1
India	5%	1
Korea, South	5%	1
New Zealand	5%	1
Russia	5%	1
Don't know	10%	2
	Answered	20

Q21. In the view of your company, are other countries likely or unlikely to adopt legislation similar to Australia's proposed Assistance and Access Bill 2018?		
	Percentage	Number
Very likely	13%	8
Somewhat likely	22%	14
TOTAL LIKELY	35%	22
Somewhat unlikely	29%	18
Very unlikely	25%	16
TOTAL UNLIKELY	54%	38
Don't know	11%	7
	Answered	63

Q22. To date, has your company ever been approached by Australian law enforcement/security agencies to request assistance to access information about your customers that is otherwise held secure within your product or service?		
	Percentage	Number
Yes	10%	6
No	70%	44
Don't know	21%	13
	Answered	63

Q23. If the draft Assistance and Access Bill 2018 becomes law, do you anticipate your company will be asked to assist government under any of the following three provisions currently in the Bill (multiple answers allowed)?

	Percentage	Number
Technical assistance request (TAR) (This is a voluntary request that may be issued by the head of an interception agency (federal, state and territory law enforcement or anti-corruption agencies), the Australian Security Intelligence Organisation (ASIO), the Australian Secret Intelligence Agency (ASIS) or the Australian Signals Directorate (ASD). If a designated communications provider is asked to provide assistance on a voluntary basis under a TAR, that provider and their officers, employees and agents are granted civil immunity for the assistance.)	43%	27
Technical assistance notice (TAN) (This is a compulsory order that may be issued by the head of an interception agency or ASIO. If a designated communications provider is requested to provide assistance under a TAN, they must give that assistance if their current capabilities allow them to do so. A TAN does not require a provider to build a capability or functionality they do not already possess in order to comply with a TAN.)	33%	21
Technical capability notice (TCN) (This is a compulsory order that may be issued by the Attorney-General, at the request of the head of an interception agency or ASIO. If a designated communications provider is ordered to provide assistance under a TCN, they must provide that assistance, including building a capability or functionality to provide that assistance.)	22%	14
None of the above	22%	14
Don't know	32%	20
	Answered	63

Q24. Do you anticipate that government will or won't cover the full cost to your company of compliance with the draft Assistance and Access Bill 2018?		
	Percentage	Number
All costs will be covered by government	5%	3
Part of the costs will be covered by government	16%	10
None of the costs will be covered by government	41%	26
Don't know	38%	24
	Answered	63

Q25. Compared to the current situation, if the draft Assistance and Access Bill 2018 becomes law, do you think your company will be able to provide to government:		
	Percentage	Number
A lot more information	3%	2
A little more information	14%	9
TOTAL MORE	17%	11
The same amount of information	52%	33
A little less information	-	-
A lot less information	3%	2
TOTAL LESS	3%	2
Don't know	27%	17
	Answered	63

Q26. Thinking about the number and range of companies covered by the draft Assistance and Access Bill 2018, would you describe the coverage as:

	Percentage	Number
Very narrow	-	-
Somewhat narrow	5%	3
About right	16%	10
Somewhat broad	17%	11
Very broad	37%	23
Don't know	25%	16
	Answered	63

Q27. What is the annual revenue of your company?

	Percentage	Number
Less than A\$5 million annually	43%	27
Between A\$5 million and A\$25 million annually	21%	13
Between A\$25 million and A\$50 million annually	2%	1
More than A\$50 million annually	27%	17
Don't know	8%	5
	Answered	63

Q28. How many people does your company currently employ?

	Percentage	Number
Less than 50 full-time equivalent people	56%	35
Between 50 and 100 full-time equivalent people	13%	8
More than 100 full-time equivalent people	27%	17
Don't know	5%	3
	Answered	63

Q29. What products and services does your company provide? (multiple responses allowed)		
	Percentage	Number
Security consultation services	51%	32
Other (please specify)	37%	23
Encryption	19%	12
Telecommunications products and/or services	17%	11
Internet services	14%	9
Hardware	10%	6
	Answered	63

Q30. Which sectors of the economy does your company sell to in Australia?		
	Percentage	Number
Private sector (B2B)	89%	56
Government	81%	51
Academia / research	51%	32
Non-profit	43%	27
Direct to consumers	33%	21
Don't know	2%	1
Other (please specify)	3%	2
	Answered	63

[IF YES TO Q8] Q31. Which sectors of the economy does your company sell to outside Australia?		
	Percentage	Number
Private sector (B2B)	84%	27
Government	53%	17
Academia / research	44%	14
Direct to consumers	44%	14
Non-profit	25%	8
Don't know	3%	1
Other (please specify)	-	-
	Answered	32

Q32. Does your company manufacture in Australia?		
	Percentage	Number
Yes	27%	17
No	70%	44
Don't know	3%	2
	Answered	63

Methodology

The survey was designed by ASPI's International Cyber Policy Centre and was delivered online via Survey Monkey. A link to the survey was sent by AustCyber to 512 email addresses drawn from its contact database of start-ups, scale-ups, SMEs, large enterprises and peak bodies in the Australian cybersecurity industry. The survey was launched on 22 November 2018 and ran until midnight on 28 November 2018. In addition to the invitation email, which was sent on 22 November, a follow-up email was sent to the same 512 email addresses on 27 November 2018. ASPI prepared this report and analysis.

In total, 109 surveys were commenced. Of those, 37 were not completed and were not included in the final sample. Of the remaining 72 respondents, nine answered 'no' to the first question ('Have you heard about the draft Assistance and Access Bill 2018, also referred to as the "encryption bill"?') and were not permitted to complete the rest of the survey. This left a total of 63 respondents who completed the survey. During the survey period, a link to the survey was temporarily included in an online industry news article discussing the survey. At our request, the link was removed in less than 24 hours to limit the sample to the AustCyber database. Only four surveys were completed during that period by respondents who could not immediately be identified as coming from the AustCyber contact list (for example, by email address or company name). Those four completed surveys were included in the final sample.

It was technically possible for companies to complete the survey more than once, although this was deemed unlikely.

As this was a self-selecting sample, drawn from AustCyber's database of Australian industry stakeholders, it is not a representative sample of the broader Australian industry. It is, however, a reflection of the 63 respondents' perceptions of the Assistance and Access Bill.

Notes

¹ Parliamentary Joint Committee on Intelligence and Security (PJCIS), *Advisory Report on the Telecommunications and Other Legislation Amendment (Assistance and Access) Bill 2018*, December 2018, [online](#).

² See Division 4—Technical capability notices, *Telecommunications and Other Legislation Amendment (Assistance and Access) Bill 2018*, [online](#).

³ For example, see ‘Supplementary explanatory memorandum’, amendments 14 and 16, pp. 14, 15, [online](#).

⁴ PJCIS, *Submissions received*, [online](#).

⁵ Ariel Bogle, Matthew Doran, ‘Encryption bill could have “catastrophic” outcomes for Australian business, industry leaders warn’, *ABC News*, 30 November 2018, [online](#).

⁶ <https://www.homeaffairs.gov.au/how-to-engage-us-subsite/files/assistance-access-bill-2018/industry-assistance-factsheet.pdf>, [online](#)

⁷ Explanatory memorandum, p. 70, [online](#).

⁸ Various definitions of SMEs are used in Australia; see Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, *Financial services and small and medium-sized enterprises (SMEs)*, background paper 12, 2018, [online](#). Recent tax cuts for SMEs were for companies with annual turnover of less than \$50 million in 2018–19; see Australian Taxation Office, *Changes to company tax rates*, Australian Government, 30 October 2018, [online](#).

Acronyms and abbreviations

ASIO	Australian Security Intelligence Organisation
B2B	business to business
SME	small to medium-sized enterprise

What is ASPI?

The Australian Strategic Policy Institute (ASPI) was formed in 2001 as an independent, non-partisan think tank. Its core aim is to provide the Australian Government with fresh ideas on Australia's defence, security and strategic policy choices. ASPI is responsible for informing the public on a range of strategic issues, generating new thinking for government and harnessing strategic thinking internationally.

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It seeks to improve debate, policy and understanding on cyber issues by:

1. conducting applied, original empirical research
2. linking government, business and civil society
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