

## Reply to Question on Notice

Senate Legal and Constitutional Affairs Legislation Committee Inquiry into the **Privacy and Other Legislation Amendment Bill 2024 [Provisions]** – on 22 October 2024.

Date of Reply: 4 November 2024

auDA appeared during the Committee's *Inquiry into the Privacy and Other Legislation Amendment Bill 2024 [Provisions]* to discuss its submission on Tuesday 22 October 2024 from 09:45 to 10:30.

### The question:

Senator Green asked "Have you seen the attitude towards that finding change over time?". The Senator was referring to research from auDA finding that 74% of small businesses surveyed feel that the failure to protect personal information of customers should result in penalties.

### auDA response:

auDA's *Digital Lives of Australians* research is an annual study undertaken by auDA each year since 2021. Through the research, we seek to gain an in-depth understanding of the online challenges and opportunities Australian consumers and small businesses face to inform decision-making that supports Australian to harness the full value of the internet securely and with confidence.

**The 2024 *Digital Lives* research was the first time the question about penalties for failure to protect customer information was asked, so there is no comparable data from previous *Digital Lives* research available.**

We attach answers to related questions that may assist Committee members with this Inquiry.

auDA *Digital Lives of Australians* research reports are available at the following location:

<https://www.auda.org.au/news-events-insights/reporting/research-reports>

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Relevant Extracts from previous *Digital Lives* research that may be of interest to the Committee's Inquiry

Report	Relevant findings
2024, p.32	<p>There is a widely held view that companies should be accountable for protecting customer data – those that fail to do so risk losing customers</p> <ul style="list-style-type: none"> <li>• Four of five <b>consumers</b> (83%) and <b>small business</b> (79%) believe companies should be doing more to protect their customers' personal information from cyber breaches</li> <li>• A similar proportion (81% <b>consumers</b> and 74% <b>small businesses</b>) believe companies should be subject to penalties where they fail to do so.</li> <li>•</li> </ul>
2024, p.22	<p>Knowing which companies one can trust to keep their information secure is seen as a major concern for <b>consumers</b> (51%) and <b>small businesses</b> (45%).</p>
2024, p.24	<p>When <b>consumers</b> were asked about barriers that prevent them from using the internet more, the top two issues selected were:</p> <ul style="list-style-type: none"> <li>• Concern about the security of your personal data online – 39%</li> <li>• Concern about privacy of your online activity – 36%</li> <li>•</li> </ul>
2023, pp. 11-12	<p>Emerging technologies offer many benefits to <b>consumers</b>, but data security and privacy are key concerns. Worry about data security and privacy is a prominent concern for activities across Artificial Intelligence (AI), Virtual and Augmented reality, and blockchain.</p> <ul style="list-style-type: none"> <li>• AI – 24% to 33% of consumers reported concerns about data security and privacy across a range of AI activities</li> <li>• Virtual and Augmented reality – 25% to 45% of consumers reported concerns about data security and privacy for a range of virtual and augmented reality activities</li> <li>• Blockchain – 32% to 33% of consumers reported concerns about data security for blockchain activities.</li> <li>•</li> </ul>
2023, p. 21	<p>In respect of AI, 80% of <b>consumers</b> and 80% of <b>small businesses</b> felt it was "very or extremely important" that AI has appropriate privacy and security measures to protect personal data.</p>

Report	Relevant findings
2022, p. 25	<p>Cyber security is an ever-present concern that undermines consumer confidence in using the internet. Relevant worries among <b>consumers</b> (% very or somewhat worried):</p> <ul style="list-style-type: none"> <li>• Having personal data stolen – 81%</li> <li>• The security of personal information – 79%</li> <li>• The privacy of online activities – 76%</li> </ul>
2022, p.27	<p>Many <b>small businesses</b> continue to lack confidence with their online security. Small businesses report the following are major concerns when using the internet:</p> <ul style="list-style-type: none"> <li>• The security of the business's data – 29%</li> <li>• The privacy of the business's online activities – 29%</li> </ul>
2021, pp.30–31	<p>When <b>consumers</b> were asked to describe, in their own words, what worries or frustrates them about using the internet, two broad themes emerged:</p> <ul style="list-style-type: none"> <li>• Privacy and cyber security (43%)</li> <li>• Connectivity issues (17%).</li> </ul> <p>When <b>small businesses</b> were asked what worries or frustrates them about using the internet, two main themes emerge:</p> <ul style="list-style-type: none"> <li>• Privacy and cyber security (39%)</li> <li>• Connectivity issues (23%).</li> </ul>
2021, p.32–33	<p>Cyber security is the dominant digital concern among <b>consumers</b>, with at least three quarters of internet users very or somewhat worried about:</p> <ul style="list-style-type: none"> <li>• The security of their personal information online – 84%</li> <li>• The privacy of their online activities – 81%.</li> </ul> <p><b>Small businesses</b> are also most concerned about privacy and cyber security. They report the following are barriers to using the internet:</p> <ul style="list-style-type: none"> <li>• The privacy of your business's online activities – 70%</li> <li>• The burden of compliance (e.g. privacy requirements) – 70%</li> <li>• The security of your business's data – 69%.</li> </ul>
2021, p.36	<p>Just under a quarter (22%) of <b>small business</b> report they do not use the internet more frequently because they are worried about being scammed or hacked and one-fifth (18%) are worried about the security of business data online.</p>