



Senator the Hon Robert Hill
 Leader of the Government in the Senate
 Minister for Defence

Mr Bob Charles MP
 Chair
 Joint Committee of Public Accounts and Audit
 Parliament House
 CANBERRA ACT 2600

20 OCT 2003



Dear Mr Charles

Thank you for your letter of 30 September 2003 requesting information on losses of software and/or hardware, unauthorised access to computer systems and any other significant events involving information technology security that have occurred in Defence since July 1998.

The information provided below details records extracted from Defence's asset management database and from the Defence Security Authority's investigations database. Not all of the data prior to 2002-03, such as laptops lost or stolen in 2000-01, is available from the asset management database and information prior to 2000 is not available from the investigations database. To manually collect and assemble such information would be a major task and I would prefer not to authorise the expenditure and effort that would be required.

I am advised that Defence is currently developing a consolidated database on all security breaches and that planning has begun on establishing better reporting processes for the asset management database.

Recorded losses of software and/or hardware

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|------------|---|
| 1998-99: | 117 computers, laptops or related components were either lost or stolen. |
| 1999-2000: | 172 computers and laptops were either lost or stolen. |
| 2000-01: | 145 computers (not including laptops) or related hardware components were lost or stolen from Defence. Of these, 64 were lost and 81 stolen. |
| 2001-02: | 64 computers and laptops were lost or stolen. Federal or state police were requested to investigate 11 incidents of loss or theft. Four investigations have concluded with no legal action ensuing. |

2002-03: 7 computers, 9 monitors, 1 printer and 15 laptops were stolen and 1 laptop was lost. Federal or state police were requested to investigate seven incidents of loss or theft. One investigation has concluded with no legal action ensuing.

Of the computers lost or stolen in 2001-02 and 2002-03, three desktop and four laptop computers contained departmental documents or information, with two of the desktop and one of the laptop computers containing information classified as secret. All of the computers containing secret information have since been recovered. The risk to national security has been assessed as low.

In addition, since 2000, there have been five incidents in which an internal security breach has led to a loss of software/hardware. As a result of internal security investigations, one Defence employee was disciplined and two received additional security counselling. Since 2000, there have been two incidents in which an external security breach has led to a loss of software/hardware. As a result of internal investigations, both incidents were referred to the Australian Federal Police.

Unauthorised access to computer systems

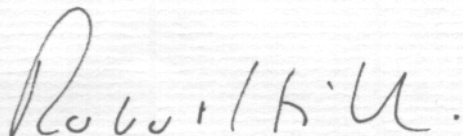
Since 2000, there have been 13 reported incidents in which an internal security breach has potentially led to unauthorised access to computer systems. Of these, five are still under investigation, four were referred to Service Police authorities and four were found to be without basis. There have been three incidents in which an external security breach has led to unauthorised access to computer systems. All three investigations have been referred to the Australian Federal Police.

Other significant events involving information technology security

Since 2000, there have been 18 other significant incidents where internal security breaches, such as attempts to inappropriately access data on Defence networks or to breach 'firewalls', have resulted in inappropriate use of computer systems by Defence employees, in breach of established security policies or procedures. As a result of internal security investigations, seven Defence employees have been disciplined and 14 have received additional security counselling. Four incidents are still under investigation. While numerous attempts have been made externally to penetrate Defence systems, no significant events have occurred.

I trust this information will be of assistance to you.

Yours sincerely



Robert Hill