



Submission No. 81

**Australian Government**  
**Department of the Prime Minister and Cabinet**

SECRETARY



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

Dear Mr Charles

**INQUIRY INTO THE MANAGEMENT AND INTEGRITY OF ELECTRONIC  
INFORMATION IN THE COMMONWEALTH**

I refer to your letter of 16 September 2003 concerning the inquiry into the management and integrity of electronic information in the Commonwealth by the Joint Committee of Public Accounts and Audit.

The response to your request for information on computer related security breaches that may have occurred in the Department of the Prime Minister and Cabinet and its associated agencies since July 1998 is enclosed.

Please do not hesitate to contact Dr Sue Ball on telephone number (02) 6271 5199 if you have any queries in relation to this information, or there are any matters that you would like to discuss further.

Yours sincerely

(Dr Peter Shergold)

## **INQUIRY INTO THE MANAGEMENT AND INTEGRITY OF ELECTRONIC INFORMATION IN THE COMMONWEALTH**

### **Department of the Prime Minister and Cabinet**

Since July 1998, two desktop computers and five laptop computers have been reported lost or stolen from the department. All incidents were the subject of police investigations. None of the laptop computers were recovered. The two desktop computers were recovered and legal action was taken in respect of the theft. The person involved in the theft of the two desktop computers was successfully prosecuted.

There was no software reported lost or stolen except for the operating system and office software installed on the stolen computers. Under the department's licensing arrangements, this software can be reloaded on replacement computers.

None of the stolen hardware contained national security information.

Information stored on departmental laptops is encrypted using DSD approved encryption software.

There have been no reports of unauthorised access to departmental computer systems during this period.

A serious breach of IT security, involving the loss of a quantity of backup tapes by Telstra Enterprise Services (TES) Pty Ltd, occurred in March 2003. TES is the outsourced Information Technology and Telecommunications (IT&T) service provider for Group 5 agencies of which this department is a member.

The loss of the backup tapes was due to a major breakdown in TES's tape handling procedures. The backup tapes have not been recovered.

Dr Shergold wrote to Dr Ziggy Switkowski, CEO Telstra, to express the Group's extreme concern with the extent of this security breach and the negligence of TES staff in the protection of Commonwealth information. Dr Switkowski assured Group 5 that Telstra and TES were very concerned with the seriousness of the breach and had revised the procedures and processes for backup to ensure that all agency information would be handled appropriately, as is required under the contract. Group 5 is undertaking random inspections of the backup facility.

The Australian Federal Police (AFP), Defence Signals Directorate (DSD) and ASIO were informed immediately of the security incident once TES became aware of it. The AFP made an initial assessment of the incident and determined that there was no evidence to suggest criminal conduct. DSD will alert the AFP at once if there is any evidence of the tapes being found and used.

Group 5 agencies have also conducted an independent audit to review the circumstances surrounding the event. This confirmed TES's account of the circumstances. We are agreed that the most likely explanation is that the tapes were accidentally disposed of as rubbish.



## **Office of National Assessments**

Since July 1998, there have been no instances of lost or stolen software and/or hardware, unauthorised access to computer systems or any other significant events involving information technology security.

## **Commonwealth Ombudsman**

A laptop was stolen in September 2001 and was reported to the police. It has not been recovered. The laptop did not contain any sensitive material.

Since July 1998, there have been no reports of unauthorised access to computer systems or any other significant events involving information technology security.

## **Australian National Audit Office**

Since July 1998, ANAO records indicate that 19 laptops have been reported stolen. No software was reported lost or stolen except that contained on stolen computers.

All incidents involving the theft of laptops were reported to the police and were also subject to an ANAO investigation. No laptops have been recovered and no offenders have been apprehended.

There have been no reports of unauthorised access to computer systems or any other significant events involving information technology security during the period in question.

## **Australian Public Service Commission**

In 2000-01 two laptops were stolen. A police investigation was conducted. In the same financial year one personal computer, one monitor and one external tape drive could not be accounted for. No police investigation was conducted in relation to these items.

In 2001-02 two laptops were stolen during a break-in at the Commission's Melbourne Office. There was a police investigation but it produced no result.

In each of the above cases the material held on the computers was not of a classified, sensitive or personal nature.

The Commission is responsible for the publication of the Public Service Gazette—in both its hard copy and online forms. In 2001 the website, [www.psgazetteonline.gov.au](http://www.psgazetteonline.gov.au) was subjected to a defacement attack from the Internet, which involved the replacement of some pages on the website. There was no evidence that the attacker had been able to enter the database server, which provides data to the website. This incident was investigated and the Commission sought and implemented advice about how to secure the site and its database.

There have been no other significant security breaches concerning information technology equipment or systems in the Commission during this period.