

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Supplementary Hearings 2003-2004, 3-4 November 2003

Question: PM 56

Outcome 1 Output 4

Topic: Loss of backup tapes by Telstra Enterprise Services (TES)

Hansard Page: F&PA 67

Senator Faulkner asked: Dr Shergold, has written to Telstra Enterprise Services. Would it be possible for the committee to be provided with a copy of Dr Shergold's letter?

Answer: Yes. A copy is attached.



THE DEPARTMENT OF
THE PRIME MINISTER AND CABINET

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SECRETARY

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30 May 2003

Dr Ziggy Switkowski
Chief Executive Officer
Telstra Pty Ltd
40/242 Exhibition Street
MELBOURNE VIC 3000

Dear Dr Switkowski

I am writing to express my extreme concern about a serious breach of security by Telstra Enterprise Services Pty Ltd involving the loss of backup tapes containing government e-mail records, a number of which contain sensitive information.

On 17 April 2003, my department was informed that Telstra Enterprise Services (TES) was unable to locate twenty backup tapes at the TES premises in Bruce, ACT. The tapes contained all information held on the e-mail servers for four Commonwealth departments (Department of the Prime Minister and Cabinet, Department of Transport and Regional Services, Department of Communications, Information Technology and the Arts and Department of Industry, Tourism and Resources). I am disappointed that it took almost three weeks before TES staff realised the tapes were missing.

An investigation by Telstra Corporate Security found that TES staff used a waste paper bin to transport the missing tapes from the computer room to a work area. The bin was then placed under a desk on the floor and it appears that a cleaner may have disposed of the tapes into an industrial waste bin. The incident also revealed that the backup tapes for January and February 2003 were unsecured and, as of mid-April, had not been transferred to off-site storage as is required to protect the integrity and availability of our data.

It is clear that there was a significant breakdown in TES operational procedures and an extraordinarily careless attitude by staff to the protection of Commonwealth information. Frankly, I think TES's mishandling of confidential data is unacceptable.

I seek your assurance that this matter will be examined carefully within your organisation and, from now on, Commonwealth information will be handled more appropriately, as is required under our contract.

Yours sincerely

(Dr Peter Shergold)