

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
ATTORNEY-GENERAL'S DEPARTMENT

Output 2.2

Question No. 72

**Senator Ludwig asked the following questions at the hearing on 31 October 2005 –
Supplementary Budget Estimates**

- a) Of the \$8million that was allocated to the Computer Network Vulnerability Assessment Program – and the \$800,000 allocated for the first year – could the Department indicate how much has been expended?
- (i) Could you provide a breakdown of the expenditure so far?
- b) How much industry has allocated to the program?
- c) What was the acceptance rate for funding from the applicants?
- d) Have you completed the second round of funding applications?
- (i) How many funding applications for the second round were recommended for approval?
 - (ii) How many gained approval?
 - (iii) Could you indicate which of the sectors the successful and unsuccessful funding applications came from, and how much each successful application received?
- e) Is there another round of funding planned?
- (i) If so, when is that due for release?
 - (ii) What is the allocation to additional round?
- f) Have any cycles with a participating company been completed in the first round?
- g) How much in terms of grants have been paid to the companies on the completion of the grants?
- h) How many reports have each of the companies given to the Attorney-General's department?
- (i) If yes, have any reports been done of the progress of the cycle?
 - (ii) If not, why not?
 - (iii) If so, please provide.
 - (iv) If not, when is it expected to be completed?
- i) What further workshops or seminars are planned?

The answer to the honourable senator's question is as follows:

- a) Of the \$8million that was allocated to the Computer Network Vulnerability Assessment Program – and the \$800,000 allocated for the first year – could the Department indicate how much has been expended?**

The \$8 million allocated to the Computer Network Vulnerability Assessment (CNVA) Program includes a component of grant co-funding of assessments by the Attorney-General's Department with infrastructure owners. At this stage it is expected that approximately \$5.3 million will be paid to infrastructure owners as co-funding, with \$1.5 million in FY 2005/06, and \$1.9 million in each of FY 2006/07 and FY 2007/08.

Payment is made at the completion of a project. Whilst a number of projects were approved in FY 2004/05, none were completed before the end of the financial year. Unspent funds were therefore carried forward to FY 2005/06.

(i) Could you provide a breakdown of the expenditure so far?

To the end of November 2005:

\$430,000 in grant funding has been **committed** to CNVA projects and \$30,000 has been paid to Yarra Valley Water on successful conclusion of their project.

b) How much industry has allocated to the program?

Of the eight (8) projects approved for funding as at 18 November 2005 the value of the applicants co-contribution is \$749,000. Please note that a single application from a consortium headed by Yarra Valley Water generated two projects, one at Yarra Valley Water in Victoria and the other at Brisbane Water in Queensland.

c) What was the acceptance rate for funding from the applicants?

Of the eight (8) projects approved, only one applicant did not respond within the thirty (30) day time frame on an offer of funding. We believe that they are reconsidering their project.

d) Have you completed the second round of funding applications?

Yes, to date three (3) rounds have been completed.

(i) How many funding applications for the second round were recommended for approval?

Four (4) were received, three (3) were recommended for approval. The fourth applicant was asked to revise their application to meet the criteria for participation in the CNVA program. They have re-lodged an amended application which will be considered over the next month.

(ii) How many gained approval?

Three (3) to date

(iii) Could you indicate which of the sectors the successful and unsuccessful funding applications came from, and how much each successful application received?

Two applications from the energy sector and one from health sector were successful. The fourth applicant asked to revise their application was also from the health sector.

None of the applicants have received any funding as their projects are still running and funding is only provided at the successful conclusion of a project.

Assuming the approved projects are concluded successfully the quantum of the CNVA funding for the second round would be:

\$71,000 energy sector

\$20,000 energy sector

\$108,000 health sector

e) Is there another round of funding planned?

Yes

(i) If so, when is that due for release?

A fourth round has now opened with applications sought by 24 February 2006. Should an applicant feel that a project is significantly important to warrant its consideration outside of the normal application round timeframe they can lodge an application at any time. At least two (2) rounds of funding will be run each financial year, with closing dates in August/September and February/March.

(ii) What is the allocation to additional round?

Total Funding Available for Grants:

2005-06 \$1.5 million

2006-07 \$1.9 million

2007-08 \$1.9 million

f) Have any cycles with a participating company been completed in the first round?

Yarra Valley Water in Melbourne has successfully completed their CNVA project

g) How much in terms of grants have been paid to the companies on the completion of the grants?

\$30,000 Yarra Valley Water. The other successful applicants have yet to complete their CNVA projects and payment is only made at the successful conclusion of a project.

h) How many reports have each of the companies given to the Attorney-General's department?

Two (2). Only Yarra Valley Water in Victoria has completed their CNVA project. Reports are provided on completion of a project. Other projects are scheduled for completion shortly.

(i) If yes, have any reports been done of the progress of the cycle?

Applicants are providing updates to the Attorney-General's Department via steering committees associated with the CNVA projects.

(ii) If not, why not?

Not applicable.

(iii) If so, please provide.

Reports provided to the Attorney-General's Department during and at the conclusion of a CNVA project are security sensitive and are provided as part of a contractual arrangement between the applicant and the Attorney-General's Department. The reports deal directly with potential vulnerabilities within computer systems associated with critical infrastructure. Public access to these reports would not only compromise the integrity of the applicant's computer systems but also provide information that could be used by criminals and terrorists to target similar systems within other organisations and industries.

The Department therefore recommends that these reports not be tabled.

(iv) If not, when is it expected to be completed?

Not applicable.

i) What further workshops or seminars are planned?

At this point in time no workshops or seminars have been run as part of the CNVA Program.