

Once More Unto the Data Breach – Rising Risks to Business Identified in New OAIC Report

The Office of the Australian Information Commissioner (OAIC) released its second quarterly statistics report into the Notifiable Data Breach Scheme on 31 July 2018 (Report), providing further insight into the operation of the scheme, which commenced February this year.

The Report covers breach notifications received between 1 April and 30 June 2018, a period in which more than 200 data breach notifications were recorded by the OAIC.

The OAIC previously released data breach notification figures for the period spanning 22 February, the scheme’s commencement, to 31 March 2018. During this short six-week period, the OAIC received 63 notifications at a rate of approximately 10 notifications per week. Across the 13-week period covered by the Report the notification rate only increased, with the OAIC recording approximately 18 notifications per week. In total, the OAIC received 242 data breach notifications in the second quarter of 2018, taking the total number of notifications received since the scheme’s implementation to 305.

The Report highlighted harrowing data breach figures, recording a number of significant data breaches, including a breach that affected between 1 million and 10 million Australians. The Report does not offer exact figures for the number of Australians affected by data breaches in the most recent quarter, but does provide a series of bands indicating the range of individuals affected by each incident. The majority of data breaches involved relatively small groups of affected people, with 61% of data breaches involving 100 individuals or fewer and 38% affecting fewer than 10 Australians. While these figures provide some comfort, even where the numbers are low, it does not follow that the level of harm is also low and it is impossible to ignore the portion of data breaches that affected far broader sections of the community. More than 14% of all notifications received by the OAIC affected in excess of 1,000 individuals. Undertaking a general analysis of the figures provided, treating each incident as if it were the median figure of its respective band, the Report provides that data breaches may have affected up to 5.3 million Australians in the most recent quarter alone.

The Report provides much needed clarity into the nature of data breaches occurring in Australia. Figures provided in the OAIC’s first quarter report indicated that the cause of data breaches is relatively split between malicious or criminal attack and human error, at 44% and 51% respectively. However, the updated second-quarter figures provide a more one-sided picture, citing that 59% of breach notifications were malicious or criminal attacks, while the percentage of human error was reduced to 36%. Considering the figures provided by the OAIC through the entire year, thus far, we can see that the total breakdown by breach type is as follows:

Malicious or Criminal	Human Error	System Failure/ Other
56%	39%	5%

These figures highlight the importance of a dual-layered approach to cybersecurity and privacy compliance. Not only does an organisation have to implement robust information technology and cybersecurity safeguards to protect against malware, ransomware and other cyberattacks, but in order to fully protect personal information from unauthorised access, disclosure or loss, the human element of any organisation must be addressed. An organisation’s cybersecurity is not a case of “set and forget”. Adequate data protection compliance will only be achieved through the implementation of clear and thorough information handling policies and through ongoing training and evaluation of staff conduct to minimise the inevitable “human error”. You can review the Report in detail on the [OAIC’s website](#).

If you are concerned about your organisation’s readiness to respond to a data privacy or cybersecurity breach, please contact a member of our Data Privacy & Cybersecurity Practice for advice or a privacy audit.

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