



24 November 2020

Department of Home Affairs
ci.reforms@homeaffairs.gov.au

Dear Sirs,

Essential Energy's Response to the Security Legislation Amendment (Critical Infrastructure) Bill 2020

Essential Energy welcomes the opportunity to respond to the Department of Home Affairs (the Government's) Security Legislation Amendment (Critical Infrastructure) Bill 2020.

Essential Energy distributes electricity to almost 870,000 customers across 95 per cent of New South Wales (NSW) and parts of southern Queensland. We are owned by the NSW Government and employ approximately 3,000 people, mainly in regional NSW.

As mentioned in our response to the Critical Infrastructure draft consultation paper, Essential Energy is already subject to a number of critical infrastructure obligations through conditions that were added to our Distributor's Licence in 2019. Any additional obligations arising out of the enhanced framework should be added to the existing regulatory arrangements, must be proportionate and risk based, and not result in unnecessary and inefficient costs being imposed on electricity customers.

We have reviewed the proposed amendments to the Critical Infrastructure Bill and have the following comments:

1. We have no issues with the proposed amendments to the sector definitions;
2. We have no issues with the introduction of the proposed Positive Security Obligations, provided they are proportionate and risk based, and do not result in the imposition of unnecessary and inefficient costs on electricity customers;
3. We have no issues with the compilation and maintenance of a Register of Critical Infrastructure Assets;
4. We have no issues with the introduction of a Risk Management Program for Critical Infrastructure assets, provided it is proportionate to the risks faced;
5. We have no issues with the introduction of mandatory cyber incident reporting, provided it is proportionate and risk based;
6. Part 2C of the Exposure Draft provides for a series of enhanced cyber security obligations which may be imposed on the responsible entity for a system of national significance. The exposure draft states that entities responsible for systems of national significance will not be obligated to comply with each of these enhanced obligations, but rather may be required to do so, from time to time, following written notice from the Secretary of Home Affairs. Essential Energy requests that more clarity is provided on the circumstances under which these enhanced obligations would be enforced.
7. Any Government or third-party access to our systems or data would need to be tightly controlled to prevent our information, systems and network from being compromised;
8. We would welcome the proposed Government assistance aimed at helping to protect critical infrastructure assets in a cyber emergency;
9. Whilst we accept the proposed timeline for introducing the proposed reforms, we believe that it is important to allow time for adequate consultation with industry and other stakeholders to ensure that the proposed reforms are practical, not overly burdensome, and do not result in the imposition of unnecessary and inefficient costs on customers.

Essential Energy looks forward to continuing to engage with the Government as it develops the frameworks and progresses towards implementation. If you have any questions in relation to this

