

27 November 2020

Department of Home Affairs
6 Chan Street
BELCONNEN ACT 2617

ci.reforms@homeaffairs.gov.au

Submitted via: Submission Form

Dear Sir/Madam

Re: Protecting critical infrastructure and systems of national significance

Thank you for the opportunity to comment on the draft Explanatory Documents, Bill and Regulations to amend the *Security of Critical Infrastructure Act 2018*. ATCO fully appreciates and supports the intent of measures to improve the national security of critical infrastructure.

This submission follows ATCO's previous submission to the consultation paper in September 2020. ATCO notes the proposed changes address considerations raised in our previous submission.

We welcome the amendments to minimise legislative duplication and to ensure the assessment of criticality of infrastructure considers the broad range of interrelated assets that already exist to safeguard the network infrastructure from disruptions.

We support the provision for consultation in the framework as it reduces uncertainty associated with decision making powers by the responsible Minister. It is important to recognise that any proposed legislative changes should also minimise the risk of uncertainty to create a fair, transparent and uniform environment in which all businesses are able to operate. The considerable powers reserved for the Minister for Home Affairs creates flexibility, but also a degree of uncertainty, and has been suitably balanced by the proposed consultation mechanisms.

On further review of the draft regulatory framework, ATCO notes that:

- changes are needed so that the intent of reporting obligations are clearly stated and incorporated in the framework; and
- Consideration should be given to establishing a baseline level for assets as new obligations will create a disproportionately greater burden on smaller assets than larger assets and could potentially lead to higher costs of service passed onto customers.

It is important that the interpretation of the framework matches the intent of reporting obligations to secure critical infrastructure and not overly burden owners and operators of assets. For example, notification of other cyber security incidents (proposed section 30BD) requires notification within 24 hours of the entities' awareness, providing limited time for investigation of the incident. The intent of this provision appears to be to improve efficiency of response by the Critical Infrastructure Centre and providing support to businesses in those circumstances, however it would be helpful if this intent was clearly stated and incorporated in the framework.

Any new obligations introduced will require entities to assess their physical, cyber and supply chain security and potentially make additional investments to meet these obligations. The quantum of these obligations in monitoring and reporting will create additional costs to meet the requirements of the framework, having a disproportionately greater burden on owners and operators of smaller assets than those owning and operating larger assets, leading to potentially higher costs of service and increases in consumer bills.

ATCO appreciates the opportunity to be a part of this process and welcomes further consultation on specific security obligations for the energy sector in the future. Should you have any queries in relation to this submission, please contact Simon Byrne, General Counsel on 08 6163 5440.

About ATCO

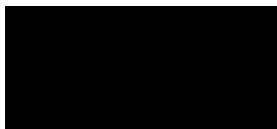
ATCO has been proudly operating in Australia and providing employment opportunities for almost 60 years. ATCO is a customer-focussed global company that develops, builds, owns and operates a range of energy infrastructure assets, supporting residential, business and commercial consumers. ATCO is committed to investing in its people, innovation and technology to drive leading-edge application-based research.

In Australia, ATCO:

- owns and maintains the largest (Mid-West and South-West) gas distribution network in Western Australia, together with two non-regulated gas distribution networks in Albany (LPG) and Kalgoorlie (natural gas), servicing over 760,000 connections through more than 14,000 km of natural gas pipelines and associated infrastructure;
- owns an alternative electricity retailer (Source Energy Co.) in Western Australia that provides cleaner, affordable and innovative energy solutions to around 500 embedded network customers in strata developments through a combination of solar photovoltaic systems, grid purchases and battery storage;
- owns and operates two power generation facilities (a joint-owned facility in Adelaide and a wholly-owned facility in Karratha) with a combined capacity of 266 MW;
- is drawing on its established expertise in natural gas to explore the future role of hydrogen through a number of projects, including the Clean Energy Innovation Hub (an embedded hybrid microgrid system that incorporates renewable solar generation, battery storage, natural gas backup generation and blends green hydrogen produced with natural gas used onsite), are working in collaboration with Fortescue Metals Group to establish a hydrogen refuelling facility at the Hub, and are currently conducting a feasibility study into the development of a commercial scale renewably hydrogen production facility, the Clean Energy Innovation Park; and
- manufactures and delivers modular building solutions to a diverse group of customers.

ATCO's Australian businesses are part of the worldwide ATCO Group with approximately 6,500 employees and assets of \$22 billion. ATCO is a diversified holding corporation with investments in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management), Energy infrastructure (electricity generation, transmission and distribution; natural gas transmission, distribution and infrastructure development; energy storage and industrial water solutions; and electricity and natural gas retail sales), Transportation (ports and transportation logistics) and Commercial Real Estate.

Yours sincerely



J.D. Patrick Creaghan

Managing Director & Chief Operating Officer