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16 September 2020

Critical Infrastructure Centre
Department of Home Affairs

Via DHA website

PROTECTING CRITICAL INFRASTRUCTURE AND SYSTEMS OF NATIONAL SIGNIFICANCE

The Australian Pipelines and Gas Association (APGA) welcomes the opportunity to comment on the Protecting Critical Infrastructure and Systems of National Significance consultation paper.

APGA is the peak body representing the Australian gas transmission sector. Our members include the owners, operators, constructors, designers, suppliers and service providers of Australia's gas transmission pipeline infrastructure. APGA participates in several Government security initiatives and has a keen interest in the work of the Critical Infrastructure Centre (CIC).

APGA supports the intent of the Australian Government to develop an enhanced critical infrastructure framework to protect Australia's critical infrastructure from all hazards – with a focus on protecting against the threat of cyber-attacks. However, the effectiveness and administrative efficiency of the enhanced framework will depend on how it is implemented.

This submission will be limited to a few high-level points. APGA was not directly notified about the broader Cyber Security Strategy consultation process and only recently became aware of the current consultation paper on protecting critical infrastructure.

APGA's key priority is that a pragmatic, balanced approach be taken when developing the enhanced critical infrastructure framework described in the consultation paper. It should not introduce unnecessarily onerous new administrative requirements or costly duplication of existing regulatory obligations. This would be especially unwelcome at a time when rising energy costs are being raised as a risk to future economic prosperity. Although the consultation paper is very high-level and much of the detail is yet to be determined, APGA is cautiously optimistic that such a pragmatic, balanced approach is possible.

APGA welcomes the undertaking in the consultation paper ‘to ensure the new requirements build on and do not duplicate existing regulatory frameworks’ and the recognition that ‘one size does not fit all’. In this regard, we strongly support the proposal that the framework be ‘built around principles-based obligations that will sit in legislation, and underpinned by sector-specific guidance and advice’ and the use of ‘sector specific standards proportionate to risk’. Oversight of the framework at Federal level is preferred as this will further streamline the process, minimising administrative duplication, and ensure consistent application of the framework nationally.

The use of a standards-based approach and avoidance of ‘one size fits all’ is of particular relevance to the gas transmission sector which already has robust security arrangements in place. The operation of gas transmission pipelines is a serious business and ‘cyber, physical, personnel and supply chain protections’ (the areas identified under the proposed framework), alongside safety, are the sector’s top priorities.

To take an example to illustrate this point, direct customers of gas infrastructure (in particular gas transmission infrastructure) tend to be large, sophisticated entities with significant operations that in most instances each generate many hundreds of millions of dollars in revenue per annum. As such, these entities place reliability and security of supply and the confidentiality of information at the forefront of their requirements when negotiating energy supply arrangements. Given the size of these customers, they are capable of managing reliability and security of supply issues and confidentiality matters that meet their requirements through binding contractual agreements with the owners of gas transmission infrastructure. Compliance with such obligations in itself necessitates having appropriate cyber, physical, personnel and supply chain protections (among other things) in place.

APGA also welcomes the proposed application of the enhanced framework to ‘owners and operators of relevant critical infrastructure regardless of ownership arrangements’ – creating an even playing field for owners and operators and maintaining open investment settings. It is important that the regulatory framework around critical infrastructure remains focussed on security outcomes and doesn’t become an unnecessary barrier to gas infrastructure investment.

One area of potential concern on which APGA would like further information, however, is the proposal for government to have the power ‘in limited circumstances’ to ‘take direct action to protect a critical infrastructure entity or system in the national interest’. Any type of direct action could be of concern to pipeline operators and disruptive to existing control systems and even threaten public safety, so specific detail on this aspect is critical.

APGA looks forward to constructive participation in the next phase of this process – the sector-specific co-design phase. It is critical that the gas transmission sector (or at least the wider gas sector) is treated as a specific sector in its own right for the

purposes of this work. It is important to recognise that gas and gas transmission infrastructure are not synonymous with 'energy' or electricity and that the bespoke characteristics of this sector should be recognised in the new framework.

APGA would welcome the opportunity for more detailed engagement with the CIC as this work progresses

If you would like to discuss any of these issues further, please contact APGA's National Policy Manager, Andrew Robertson on [REDACTED] or at [REDACTED].

Yours sincerely

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STEVE DAVIES
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