

18 November 2022

Mr Hamish Hansford  
Group Manager, Cyber and Infrastructure Security Centre  
Department of Home Affairs

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Dear Mr Hansford

AusNet thanks the Department of Home Affairs (**Department**) for the opportunity to comment on the draft Security of Critical Infrastructure (Critical infrastructure risk management program) Rules (**Rules**), to be made under section 61 of the *Security of Critical Infrastructure Act 2018* (**Act**).

AusNet, through its group members AusNet Transmission Group Pty Ltd, AusNet Electricity Services Pty Ltd and AusNet Gas Services Pty Ltd, owns and operates the Victorian electricity transmission network, an electricity distribution network that services eastern and north-eastern Victoria and Melbourne's north and east suburbs, and a gas distribution network servicing western Melbourne, Geelong and parts of western Victoria. Each network is, or comprises assets that are, a critical infrastructure asset for the purposes of the Act. As such, AusNet will be required to comply with the Rules upon their commencement.

We welcome further guidance from the Department about the level of maturity the Department expects responsible entities to achieve in their Risk Management Plans by the conclusion of the 6-month grace period. While AusNet intends to implement a fully compliant Risk Management Plan by this date, we consider there is benefit to adopting a model of continuous improvement, wherein entities continue to improve their Plans year-on-year. This has been the approach regarding the preparation of annual Modern Slavery Statements, which AusNet considers has achieved positive results.

Our remaining comments, set out in the table attached to this letter, focus on specific drafting issues with the Rules.

AusNet recognises and appreciates the Department's considerable effort to consult with the energy industry to date. If it would assist the Department to understand the issues raised in our submission, we would be happy to meet with departmental staff. To arrange this, or if you have any questions, please contact me at

Yours sincerely

Amanda Williams  
Group Risk and Internal Audit Manager  
**AusNet**

Encl: Attachment

## ATTACHMENT 1

Clause	Issue	Proposed resolution
N/A	The Rules refer to an entity's "system" (see the definition of <i>high risk vendor</i> ) but does not define it, nor is there a definition in the Act.	As appropriate, revise the definition to replace "system" with the appropriate existing term (such as <i>critical infrastructure asset</i> ) or insert a definition of "system".
Note to clause 3	<p>The Note states that <i>material risk</i> is defined in the Act but it is not. Section 30AH(7) of the Act guides responsible entities as to what might constitute a material risk, but it does not define a material risk.</p> <p>In accordance with section 30AH(8) of the Act, clause 5 of the Rules specifies a non-exhaustive list of material risks. However, as pointed out in the draft Guidance, these are the only material risks that an entity is required to consider.</p>	Consider defining <i>material risk</i> in the Rules. If not, ensure the guidance accompanying the Rules continues to assist entities to understand the nature and scope of their obligations.
Clause 3, definition of <i>high risk vendor</i>	The definition refers to "the security of an entity's system". As noted above, a "system" is not defined in the Act of Rules. Should the reference to "system" here instead be a reference to an entity's [ <i>critical infrastructure</i> ] <i>asset</i> ?	Rules to be clarified.
Clause 3, definition of <i>physical security hazard</i>	The second line of the definition refers "critical assets" – is this properly a reference to "critical sites", being those parts of the critical infrastructure asset that are critical to the functioning of the assets.	Amend as marked: <p>"<b>physical security hazard</b> includes the unauthorised access <u>to</u>, interference <u>with</u>, or control of critical-<del>assets</del> <u>sites</u>..."</p>
Clause 3, definition of <i>sensitive operational information</i>	<p>This definition is a central element of the material risk specified in clause 5(e). The definition is extremely broad in scope, making it difficult for entities to comply with the Rules (including clauses 7(1)(c) and 8(2)(a)).</p> <p>From a practical and operational perspective, <i>sensitive operational information</i> will often be included in contracts with customers and other counterparties, many</p>	Consider the need for amendments to reflect the intended scope of the definition more clearly.

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	<p>of whom may have overseas information storage arrangements (which a responsible entity would not necessarily have visibility of), or who may be physically located overseas. This is particularly likely to be the case in the energy sector, where equipment manufacturers are typically located overseas.</p> <p>It is unclear whether the classes of information identified in paragraphs (a)-(e) of the definition must be confidential or commercially sensitive. This is relevant because some information may be publicly available from, for example, Google Maps or Google Earth (geospatial) or AEMO (layout or configuration information).</p>	
Clause 8(2)(a)	There appears to be additional words in this paragraph which make the nature and extent of the obligation very unclear.	Review and revise as appropriate.
Clause 10(2)(b)	“Privileged information” is not defined. Without guidance (either in the form of a definition in the Rules or commentary in the guidance notes), it will be difficult for entities to identify and addresses supply chain risks.	A definition be inserted to clarify what types or categories of information constitute “privileged information”.
Clause 11(2)(a)	<p>The definition of <i>critical sites</i> should be relocated to clause 3, consistent with the drafting convention adopted in the Rules, and to clarify its application to all parts of the Rules.</p> <p>See also the comments below in relation to clauses 11(2) and (3).</p>	<p>Insert a definition of <i>critical site</i> in clause 3 i.e.</p> <p>“<b>critical site</b> means the parts of the asset that are critical to the functioning of the asset”</p> <p>Re-draft clause 11(2)(a) to read:</p> <p>“(a) to identify the critical sites; and”.</p>
Clause 11(2)(d)	Consistent with the Department’s position that businesses are generally best-placed to identify the material risks affecting their business and actions taken to manage those risks, we proposed that the phrase including	Delete the phrase “, including restricting access to only those individuals who are critical workers or accompanied visitors”.

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	<p>restricting access to only those individuals who are critical workers or accompanied visitors" be deleted.</p> <p>Alternatively, the phrase should be clearly expressed as an optional measure. For example, by changing "including" to read "which may include".</p>	
Clause 11(2)(e) and (f)	<p>As currently expressed, the obligations in these paragraphs are extremely broad because they are currently unlimited. We propose that they apply to <i>critical sites</i> which, as well as appropriately narrowing the scope of the obligations, is consistent with the scope of the obligations in the preceding paragraphs in this clause.</p>	<p>Amend the paragraphs as follows:</p> <p>Para (e): delete "for the asset" and substitute "at a critical site"</p> <p>Para (f): delete "on the asset" and substitute "at a critical site".</p>
Clause 11(3)(a)	<p><i>Critical site</i> is defined in a clause rather than in the dictionary.</p>	<p><i>Critical sites</i> should be defined in clause 3. This is consistent with the way other terms are defined, including those only used in one paragraph (e.g. <i>high risk vendor</i>, which is used only in paragraph 10(2)(e). Further, defining <i>critical site</i> in clause 3 will support the proposed use of this term other than in clause 11.</p>
Clause 11(3)(f) and (g)	<p>We propose that these obligations be limited to critical sites, which would improve alignment of the obligations with previous paragraphs in this clause.</p>	<p>Amend the paragraphs as follows:</p> <p>Para (f): delete "for the asset" and substitute "at a critical site"</p> <p>Para (g): delete "on the asset" and substitute "at a critical site".</p>