



November 2020  
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Mr Jason Lange  
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Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
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Dear Mr Lange

REGULATION IMPACT STATEMENT – CRITICAL INFRASTRUCTURE AND SYSTEMS OF NATIONAL SIGNIFICANCE ENHANCED FRAMEWORK – SECOND PAST FINAL ASSESSMENT

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the Critical Infrastructure and Systems of National Significance Enhanced Framework 2020. This letter updates my letter of 18 November 2020 to address the advice provided in your letter of 24 November 2020. Specifically, as per your advice we have included:

- greater clarity on the overall net benefits of the preferred option, including further explanation within section 6 of the RIS reiterating the cost of inaction and how the proposed reforms will provide sector wide all hazard uplift to critical infrastructure;
- further impact analysis on how each of the proposed measures address the defined problems, and reduce the risk of security incidents throughout sections 3, 4 and 6 of the RIS;
- further detail on how consultation was conducted and how stakeholder advice helped shape the reforms, including examples of how thresholds were developed in close consultation with industry and further information on how the co-design process will be used to further adapt to reforms based on advice from stakeholders;
- a table at attachment A clearly outlining the thresholds proposed for *critical infrastructure assets*;
- a table within section 3 clearly defining the proposed obligations under the preferred option and who the obligations will apply to;
- further detail on the oversight mechanisms proposed, specifically on the reporting requirements proposed in amended legislation for reporting to Parliament; and
- a note within section 7 stating that a Post-implementation Review will be conducted in five years commensurate with the significance of the proposed reforms.

The estimated regulatory costs of this package are \$2.19 million per year for the components of the reforms that require ongoing annual obligations. Further details on the costs of the Enhanced Cyber Security Obligations and the Ministerial Directions power are provided within the RIS and have not been provided in the aggregate cost as they do not require ongoing industry obligations and providing these estimated costs would likely mislead stakeholders without sufficient context.

A regulatory offset has not been identified. However, the Department of Home Affairs is committed to working across Government to identify regulatory burden reductions where appropriate, particularly through the co-design phase of the risk management program to be conducted in 2021 and accompanied by further RIS(s).

Yours sincerely

**Marc Ablong PSM**  
Deputy Secretary  
National Resilience and Cyber Security

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