INFRASTRUCTURE PARTNERSHIPS AUSTRALIA

31 July 2026

The Federal Department of Home Affairs

Via submission portal

SUBMISSION TO THE DEPARTMENT OF HOME AFFAIRS' STREAMLINING AND MODERNISING THE SECURITY OF CRITICAL INFRASTRUCTURE ACT 2018 CONSULTATION PAPER

Infrastructure Partnerships Australia is pleased to provide this submission to the Department of Home Affairs on its Streamlining and Modernising the *Security of Critical Infrastructure Act 2018* consultation paper, released in May.

Infrastructure Partnerships Australia is an independent think tank and executive member network, providing research focused on excellence in social and economic infrastructure. We exist to shape public debate and drive reform for the national interest. As the national voice for the infrastructure sector in Australia, our membership reflects a diverse range of public and private sector entities, including infrastructure owners, operators, financiers, advisers, technology providers and policy makers.

While the emergence of new technologies provides greater economic opportunities, they also potentially present greater or novel security risks. To combat these real or perceived risks, our national security framework must be robust and responsive to this evolving operating environment. Infrastructure Partnerships Australia welcomes a rigorous approach to national security in the interests of the users and taxpayers funding our essential infrastructure services. However, additional obligations and requirements on organisations must be appropriately calibrated and proportionate to the risks they seek to manage.

It is essential that reforms to improve the security of our assets are underscored by achieving the Government's broader productivity and economic growth goals

Ensuring the security – particularly the digital security – of our critical infrastructure is vital, however, this enhanced security comes with increased risk of regulatory burden on businesses. Infrastructure Partnerships Australia welcomes the consultation paper's identification of the importance of applying proportionality and assessing opportunities to reduce duplication throughout this process (Measure One: Exemptions Framework). The consultation paper identifies opportunities to embed pre-existing state and Federal assessment frameworks to reduce duplicative processes. We encourage the Department to embed this as a core principle of its reforms and ensure it applies flexibility to enable owners and operators of assets to achieve their regulatory obligations efficiently. We further encourage the Department to consider where existing internal or external governance processes serve comparable purposes to regulatory compliance activities – thereby rendering additional regulatory intervention tautologous.

Prioritising efficiency, certainty, proportionality and productivity must remain a central focus of these reforms. Unnecessary or undue duplication undermines productivity growth across Australia's economy, which has stalled over recent decades. Infrastructure Partnerships Australia's report Practical Productivity outlines the importance

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of reducing regulatory burden – particularly through targeted reduction of duplicative and disproportionate reporting requirements.

Reform must carefully balance additional regulatory burden with genuine risk. Risk rating for assets and adjusting obligations accordingly would enable certain asset owners or operators to report to a level equal to their respective asset's risk. Enabling assets with a lower risk profile to report at a lower frequency, or through existing frameworks, may support the efficient and productive use of capital, investment and time, without materially undermining the critical security these reforms seek to achieve.

The consultation paper puts forward a proposal to make periodic independent assurances mandatory, with potential to implement them on a three-year base cycle (Measure 15: CIRMP Governance and Assurance). In this instance, the introduction of a mandatory requirement for audit processes to be undertaken by independent parties should be carefully considered through the asset risk rating and proportionality lens outlined previously in this submission. Nonetheless, Infrastructure Partnerships Australia broadly welcomes the periodic approach to such assessments. Not all entities present the same level of risk in relation to the policy objectives these mechanisms are intended to address. Adopting a risk-based approach to the scope and frequency of mandatory reporting requirements would ensure that regulatory attention is focused on high-risk entities, while removing disproportionate and unnecessary burdens on low-risk organisations with demonstrated records of compliance or low inherent risk.

While adaptability is essential, a lack of legislative certainty risks increasing regulatory burdens

Finally, while maintaining 'adaptability' for future adjustment as industry and security prioritisations change is important, it must be carefully balanced to ensure certainty of reporting requirements. Legislation should clearly outline the requirements it places on businesses. By drafting legislation to enable year-on-year adjustments, the Government risks materially increasing the regulatory burden on businesses and creating uncertainty regarding legal obligations.

Infrastructure Partnerships Australia supports the Government's objectives in ensuring the security of Australia's critical infrastructure, and recognises this will evolve over time to respond to new and emerging risks. Such responsiveness should be carefully balanced to avoid disproportionate outcomes on organisations, while ensuring an efficient and robust regulatory process.

We look forward to further assisting the Department on this inquiry. If you require additional detail or information, please do not hesitate to contact Katie Dempsey at katie.dempsey@infrastructure.org.au.

Yours sincerely,



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