



**12 December 2024**

**Independent Regulatory and Pricing Tribunal NSW  
Level 16, 2-24 Rawson Place  
SYDNEY NSW 2000**

Dear Sir/Madam,

**Anchoram Consulting's Response to the Review of electricity network operators' critical infrastructure licence conditions**

Anchoram Consulting welcomes the opportunity to respond to the IPART draft report released November 2024. Anchoram Consulting is a national professional services firm with specific expertise in cyber security within critical infrastructure sectors, and particularly the energy sector.

As an organisation that works continually with energy operators within the National Electricity Market, Anchoram is positioned to provide a view on how amendments to the IPART Critical Infrastructure Licence Conditions may affect impacted licence holders.

We have reviewed the draft report and have the following comments:

**Consultation Questions and Answers**

**Do you consider the critical infrastructure reporting manual and applicable audit guidelines contain significant issues in complying the requirements of these documents, and if so, what are these issues?**

No, however the independence of auditors should be maintained. While it may be tempting to relax the rule that prohibits auditors from performing advisory services or technical functions related to the audit subject matter within the last two years, maintaining strict independence is crucial for several reasons:

Audit independence is fundamental to maintaining the objectivity and credibility of the audit process. If auditors have provided advisory services or technical functions, there is a risk that they might be biased, consciously or unconsciously, in their audit findings to justify their previous work. This could lead to compromised audit quality and a lack of trust in the audit results

Allowing auditors to provide both audit and advisory services could realise a potential conflict of interest. Auditors might be influenced to downplay or overlook issues in their audit reports to protect their advisory engagements or maintain a good relationship with the client. Without appropriate controls to support transparency, impartiality and traceability, this could undermine the integrity of the audit and subsequent activities.

**Do you agree with our proposal to retain the maintenance of the distribution/transmission system conditions?**

Yes.

**Do you agree with our proposal to retain the exception to the maintenance condition allowing for a protocol to be agreed with the CISC?**

Yes, this is a pragmatic approach and will leverage the risk management and technical depth available within Home Affairs through their contact with associated advisory agencies such as the ASD etc. Any agreed protocol would include sufficient controls to ensure relevant sensitive artefacts remain sovereign.



**Do you agree with our proposal to maintain the requirements for operation and control of the transmission/distribution system?**

Yes, however further explanation of 'best industry practice' should be provided by referring to relevant sources of authority, industry specific standards or to remove that wording in preference of an alternative.

**Do you agree with our proposal to amend the security clearance requirements by allowing a network operator to choose between NV1 security clearance or the background checks under the AusCheck scheme?**

Yes, however noting that other Commonwealth directives are requiring AGSVA clearances for Key, Relevant and Ancillary staff where critical services and Commonwealth data are being hosted suitable guidance as to which staff should hold an AGSVA clearance versus AusCheck would be helpful.

**Do you agree with our proposal to retain the data security requirements?**

Yes, alignment with other Commonwealth programs such as the Hosting Certification Framework are requesting that data of a similar risk profile be held onshore, noting this may provide some challenges to operators based on the alignment of criticality it would make sense to mirror this across the risk profiles of the data.

**Do you agree with our proposal to remove the Bulk Personal Data requirements?**

Yes, this aligns with other industries and has ample coverage under existing legislation.

**Do you agree with our proposal to replace the data agreement provisions with a new provision enabling the Commonwealth Representative to agree to a Protocol?**

Yes

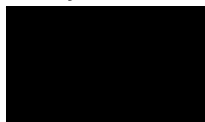
**Do you agree with our proposal to retain the compliance reporting and auditing requirements?**

Yes

**Are there any additional comments you wish to make on the draft licence conditions or the draft report?**

None

Sincerely,



**Glenn Ashe**  
**CEO – Anchoram Consulting Group**