Offshore Infrastructure Regulator

Australian Government

Portfolio: Department of Climate Change, Energy, the Environment and Water

Corporate Commonwealth Entity: NOPSEMA

Cost recovery implementation statement

Offshore Electricity Infrastructure Act 2021

2026

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector some or all of the minimum efficient costs of a specific government activity. The Cost Recovery Policy along with the Australian Government Charging Framework (the Charging Framework) sets out the policy under which government entities design, implement and review charging for regulatory activities. The Cost Recovery Implementation Statement (CRIS) is the public document to ensure the transparency and accountability for the level of the charging and to demonstrate that the purpose for charging, as decided by Government, is being achieved.

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1. Introduction

1.1. Purpose

This Cost Recovery Implementation Statement (CRIS) provides information on the Offshore Infrastructure Regulator's (OIR) arrangements for full cost recovery for the administration and regulation of offshore infrastructure activities under the *Offshore Electricity Infrastructure Act 2021* (the OEI Act), the *Offshore Electricity Infrastructure (Regulatory Levies) Act 2021* and associated regulations. The CRIS provides information on the relationship between the effort estimated for specific activities and the charges that apply for the OIR to administer those activities.

Cost recovery applies to OEI licence holders, diving contractors and other persons, including people who hold duties or obligations under the applied work health and safety provisions of the OEI Act. These entities create the need for regulatory activities by exercising rights under OEI Act licences that require approval and ongoing compliance monitoring and by seeking approval for required authorisations under the OEI Act and its regulations.

1.2. Background

The OIR is responsible for operational oversight of the offshore renewables sector with a primary focus on work health and safety, infrastructure integrity and environmental management. The functions of the OIR are administered by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) leveraging its status as a Corporate Commonwealth Entity.

The Offshore Renewable Energy branch within the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the Offshore Infrastructure Registrar (the Registrar) also undertake cost recovered activities under the OEI Act framework.

DCCEEW and the Registrar have responsibility for the declaration of areas and administration of licencing processes. Licences are granted by the Minister for Climate Change and Energy. On licence grant, the formal regulatory role of the OIR commences and the offshore electricity infrastructure compliance levy is charged to the licence holder. Some licences have already been granted under the OEI Act, with further licensing decisions progressing during the period of this CRIS. Consequently, the number of licences to be granted during the period of this CRIS has been estimated based on information provided by DCCEEW and the Registrar.

This represents the third CRIS prepared by the OIR in relation to its regulatory activities with the most recent iteration having been published in 2024[1].

This CRIS contains financial forecasts for the 2025-26 financial year and three forward years. The CRIS will be updated as increased certainty of licence numbers and effort associated with administering regulatory processes becomes available.

The cost recovery and funding arrangements for the OIR documented in the previous CRIS are superseded by this document.

[1] Fees and levies | OIR

1.3 Temporary financial relief measures

On 16 September 2025, the Minister for Climate Change and Energy announced temporary financial relief measures including levy and fee relief to support the emerging offshore wind sector in Australia in recognition of global cost pressures facing the industry.

The temporary remittal of levies applies to feasibility licences, research and demonstration licences and transmission and infrastructure licences granted on or before 30 June 2027. The levy relief covers two consecutive 12-month periods from the date that the licence is granted.

For a feasibility licence that was granted before the commencement of the Offshore Electricity Infrastructure Amendment (Remittal of Fees and Levies and Other Measures) Regulations 2025, an unpaid levy that was due in the 12-month period that began before the Amendment Regulations commenced is remitted as well as the levy for the subsequent 12-month period.

During the relief period the following arrangements have been implemented from 14 November 2025:

- waive annual levies applied to feasibility and research and demonstration licences for two payment periods for licences granted before 30 June 2027
- halve annual levies applied to transmission and infrastructure licences for two payment periods for licences granted before 30 June 2027
- reduce application fees for research and demonstration licences from $300,000 to $20,000 for two years
- reduce application fees for transmission and infrastructure licences from $300,000 to $150,000 for two years.

Throughout the temporary relief period, the OIR's resourcing expenditure will be covered by appropriated government funding. Full cost recovery for the OIR will resume after 30 June 2029.

2. Changes proposed in this CRIS

This CRIS reduces the base annual levy for research and demonstration licences to $50,000 down from $100,000 in the 2024-25 OIR CRIS. Further, the area that the base levy applies to has been reduced from 100 square kilometres (km²) to 50km², with an additional levy of $1000 per 10km² above 50 km². These changes are proposed to take effect following cessation of the temporary financial relief measures described in section 1.3.

The reduction to the annual levy for research and demonstration licences seeks to ensure costs are not a barrier to entry for smaller start-up companies, research organisations or academia wanting to pursue pilot-scale demonstration projects to trial and test new and/or emerging offshore renewable energy technologies.

This CRIS also introduces a new charging activity (fee) associated with additional requirements under the applied work health and safety provisions of the OEI Act framework. Specifically, the requirement to register plant designs and the requirement to register items of plant. These requirements have been incorporated into the OEI Act framework since the last CRIS for the OIR was prepared. These requirements are subject to transitional arrangements under the Offshore Electricity Infrastructure Regulations 2022 meaning that from 12 December 2028, duty holders will be required to register plant designs and items of plant.

It is proposed this new charging activity would commence from 12 December 2028 in line with the plant design and registration requirements entering into force. It is necessary to include this charging activity in this CRIS to provide transparency of future costs to regulated entities.

Other changes in the CRIS as compared to the 2024-25 OIR CRIS include:

- Update to licence number assumptions reflective of greater certainty in relation to licence decisions by the Minister for Climate Change and Energy.
- An overall reduction in costs proposed to be recovered by the OIR compared to that proposed under the 2024-25 CRIS reflective of licencing, industry activity levels and the temporary financial relief being provided to the industry. Specifically, total proposed cost recovery for the OIR has been reduced from $7.5 million to $4.3 million for the 2025-26 financial year representing a 43% reduction overall. Similar reductions have been carried through to forward years.

Further details in relation to these changes are incorporated in the remainder of this document.

3. Policy and statutory authority to charge (cost recover)

The Australian Government announced its decision to establish the OEI regulatory framework as part of the 2020–21 Budget process. In the budget papers, funding of $4.8 million over two years was announced to develop the OEI regulatory regime, including preparing the legislative framework and setting up administrative systems and processes, with charging to be implemented in accordance with the Australian Government Charging Framework (AGCF). The OEI framework and charging arrangement would provide investment certainty to offshore renewable energy investors and legislative amendments to simplify business participation. The budget papers can be found at Budget Measures Budget Paper No. 2 2020–21.

In January 2020, the Australian Government released a discussion paper on the proposed OEI legislative framework for consultation and invited submissions on the proposed design. The paper identified the Government's intention to charge fees and annual levies to recover all costs.

In September 2021, the Australian Government introduced the OEI Bill and the Levies Bill to Parliament. The Explanatory Memorandum of the Levies Bill states that cost recovery will be used to ensure the Commonwealth (including the Offshore Renewable Energy Branch within DCCEEW, the Registrar and the Regulator) are appropriately resourced to effectively and efficiently regulate the offshore renewables industry and administer the OEI framework.

In December 2021, the OEI Bill and the Levies Bill received royal assent. In June 2022, the OEI Act entered into force establishing a regulatory framework to enable the construction, installation, commissioning, operation, maintenance and decommissioning of offshore renewable energy infrastructure and offshore electricity transmission infrastructure in the Commonwealth offshore area.

In November 2022, the Offshore Electricity Infrastructure Regulations 2022 and the Offshore Electricity Infrastructure (Regulatory Levies) Regulations 2022 commenced. These regulations underpin the OEI Act and set out arrangements for licencing, fees and levies and spatial referencing.

In December 2024, amendments to the OEI Regulations came into effect, fully operationalising the regulatory regime and enabling the OIR to formally commence operational regulation of licence activities.

In September 2025 the Australian Government agreed to provide temporary financial relief to the offshore wind sector, allowing licence holders to continue work to determine the feasibility of commercial-scale windfarms and reduce the risk of developers exiting the market at a critical stage for offshore wind development in Australia. The details of the temporary financial relief measures are described in section 1.3 of this document.

The legal authority to impose offshore electricity infrastructure levies is contained in Part 2 of the *Offshore Electricity Infrastructure (Regulatory Levies) Act 2021*. The levy amounts are prescribed in the Offshore Electricity Infrastructure (Regulatory Levies) Regulations 2022.

The legal authority to prescribe application and assessment fees for dealing with applications made under the OEI Act including the applied WHS provisions is provided by section 189 of the OEI Act which stipulates that the amount of the fee may be prescribed by the regulations (application fee) or worked out in accordance with a method prescribed by the regulations (assessment fees).

4. Description of the regulatory charging activity

The OEI Act provides that the OIR will have core responsibilities for work health and safety, infrastructure integrity and environmental management for offshore infrastructure activities in Commonwealth offshore areas. In addition, the OIR will provide specialist technical advice and support to DCCEEW, the Minister for Climate Change and Energy and the Registrar in relation to the performance of their functions and related activities under the OEI Act. The OIR also performs a critical role in advising the industry and broader community on the operation of, and compliance with, the OEI Act framework.

Effective regulation of the high hazard, technically complex offshore renewables industry requires the OIR to hold and maintain a core staff of highly qualified and experienced regulatory personnel with specialist skills in engineering, work health and safety, environmental management, financial security and stakeholder engagement. This approach is consistent with leading practice internationally. Through providing these regulatory functions to NOPSEMA under the OEI Act, the specialist technical expertise of NOPSEMA can be effectively leveraged to support delivery of the OIR's functions.

The OIR has the capacity to appoint inspectors under section 192 of the OEI Act and will deliver the primary compliance monitoring and investigation functions under the OEI framework in relation to licence holder compliance with requirements under the OEI Act and its regulations.

The OIR will fulfil its statutory functions by undertaking assessment, inspection, investigation, enforcement, promotion and advisory activities.

The OIR's statutory functions are to be cost recovered through a combination of fees and levies. These activities are separately identifiable tasks that can be allocated to an appropriate levy or charged as a fee. The activities are undertaken on a not-for-profit basis.

Under section 177 of the OEI Act, the OIR has legislated functions to:

- promote the work health and safety of persons engaged in offshore infrastructure activities
- develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their obligations under the OEI Act, the applied work health and safety provisions or a licence or in relation to matters related to the following:
    i. work health and safety

ii. environmental management
iii. the infrastructure integrity of offshore renewable energy infrastructure and offshore electricity transmission infrastructure

- investigate accidents, occurrences and circumstances:
  i. that affect, or have the potential to affect, the work health and safety of persons engaged in offshore infrastructure activities; or
  ii. that involve, or may involve, deficiencies in environmental management in connection with offshore infrastructure activities; or
  iii. that involve or may involve deficiencies in the infrastructure integrity of offshore renewable energy infrastructure or offshore electricity transmission infrastructure
- report, as appropriate, to the Minister on investigations
- advise persons, either on its own initiative or on request, on matters relating to work health and safety, environmental protection and infrastructure integrity in connection with offshore infrastructure activities
- make reports, including recommendations, to the Minister on issues relating to work health and safety, environmental protection and infrastructure integrity in connection with offshore infrastructure activities
- provide information, assessments, analysis, reports, advice and recommendations to the Minister in relation to the administration and functioning of the OEI Act and the applied work health and safety provisions
- cooperate with the Registrar in matters relating to the administration and enforcement of the OEI Act and the applied work health and safety provisions
- cooperate with other Commonwealth, State or Territory agencies and authorities having functions relating to the regulation of offshore infrastructure activities
- perform the functions conferred on the Regulator by the applied work health and safety provisions
- perform such other functions as are conferred on the Regulator by or under the OEI Act
- do anything incidental to or conducive to the performance of any of the above functions.

The functions of the OIR may be performed within or outside Australia. The OIR is co-located with NOPSEMA in Perth and Melbourne.

4.1. Operational cost drivers

NOPSEMA is a Corporate Commonwealth Entity and has operated on a full cost recovery basis since 1 January 2005. NOPSEMA's ability to effectively administer and discharge its functions as the OIR under the OEI Act is underpinned by access to sufficient resources, capacity, and qualified personnel.

To reduce regulatory costs while the offshore renewables industry is establishing, the OIR will utilise the specialist technical expertise and capability of NOPSEMA staff as needed during periods of peak workload and to support regulatory activities such as the assessment of regulatory applications. This may be supplemented by additional specialist expertise for particular activities.

In addition to accessing specialist expertise where required, the OIR will build and maintain core staffing to deliver its functions on an ongoing basis. Crucially this will involve provision of guidance and advice to the industry, government and broader stakeholders in relation to the regulatory requirements. Core staffing will be modified over time in response to industry activity levels and associated regulatory activities. Costs associated with core staffing, overheads for shared corporate functions, the utilisation of NOPSEMA staff and retaining additional specialist expertise to deliver the functions of the OIR will be fully recovered through fees and levies collected under the OEI framework.

Importantly, there is distinct legislative separation between NOPSEMA's functions, duties and cost recovery in relation to offshore petroleum and greenhouse gas storage and the functions, duties and cost recovery for the OIR under the OEI Act. Government has directed that there is to be no cross-subsidisation between NOPSEMA and the OIR. NOPSEMA has implemented governance and finance arrangements to give effect to this outcome.

For the 2022-2027 financial years Government appropriated funds have enabled the establishment of the OIR. Establishment activities include developing relevant guidance materials, systems, core processes and procedures and obtaining and retaining appropriate resources to allow the OIR to perform its functions and to undertake regulatory actions in a structured and timely way. Simultaneously the OIR has begun operational regulation of on-water activities being undertaken by the sector. This includes undertaking assessments, conducting inspections, investigating incidents and suspected contraventions of requirements and, where required, undertaking enforcement to bring regulated entities back into compliance. Once appropriated establishment funds have been exhausted, ongoing maintenance and improvement of core systems and processes and operational regulatory activities are to be fully funded through the cost recovery of fees and levies imposed under the OEI legislation. The OIR does not have any other funding streams beyond those described above.

4.2. Overview of cost recovery activities

This CRIS sets out the cost recovery framework for OIR to implement its functions and responsibilities including work health and safety, environmental management and the infrastructure integrity of offshore renewable energy infrastructure and offshore electricity transmission infrastructure (see section 177 of the OEI Act).

The content of the CRIS is based on assumed activity numbers in the 2025-26 to 28-29 financial years. At the time this CRIS was being prepared, six offshore areas had been declared under the OEI Act and feasibility licences had been granted in the Gippsland, Southern Ocean and Bunbury declared areas. There remains some uncertainty in forecasts of licence numbers for forward years. In recognition of this, the OIR has engaged closely with the Department and the Registrar in estimating licence numbers and consequent regulatory activity levels in preparing this document. The licence numbers presumed in this CRIS are an estimate based on available information at the time of publication and do not predict or constrain the number of licences that may be granted by the Minister; they are for budgeting purposes only.

Table 1: Licence numbers - assumptions applied to CRIS

	Cumulative total licences in force
2025-26	13 Feasibility licences 1 Transmission and infrastructure licences
2026-27	13 Feasibility licences 4 Research and demonstration licences 14 Transmission and infrastructure licences
2027-28	13 Feasibility licences 4 Research and demonstration licences 14 Transmission and infrastructure licences
2028-29	13 Feasibility licences 4 Research and demonstration licences 14 Transmission and infrastructure licences

Application and assessment fees

Application and assessment fees are payable to the OIR and reflect the cost of receiving and assessing an application, making a recommendation to the decision-maker and implementing the decision, as required by the regulatory framework. Applications may be made by OEI Act licence holders or by other parties with duties and obligations under the OEI Act framework including the applied work health and safety provisions. Application and assessment fees vary based on the complexity of a particular application and the regulatory effort associated with administering that application.

Cost recovery levies

Cost recovery levies under the OEI framework include an annual compliance levy which covers ongoing costs to the OIR including:

- implementation and maintenance of processes and digital systems to receive and assess applications, track regulatory actions and record relevant decisions and related information
- monitoring and enforcing the compliance of licence holders with management plans and the requirements of the OEI Act and regulations in relation to work health and safety, infrastructure integrity, environmental management and financial security
- stakeholder engagement
- provision of regulatory advice to industry and other stakeholders
- development of guidance and other publications
- handling and storage of information
- governance and reporting obligations
- other costs of maintaining the OIR's functions.

The annual compliance levy applies to all licence holders as an ongoing annual levy payable for the duration of a licence. The annual compliance levy is payable to the OIR at the end of 30 days after the grant of a licence and then annually thereafter within 30 days of the anniversary of the grant of the licence.

The annual compliance levy is variable, reflective of the complexity of activities authorised by different licence types with licences that authorise more complex activities attracting higher levies. It consists of a base rate for each licence type, reflective of the need for advice, guidance and compliance monitoring across all licences, and a variable component for feasibility, commercial and research and demonstration licences calculated on the basis of the total area of a particular licence with different rates for different licence types.

This approach has been taken as licences that authorise more complex activities and cover larger geographic areas, such as commercial licences for offshore wind farms, will facilitate larger, more complex projects involving more offshore electricity infrastructure. Regulatory effort for the OIR to

monitor and enforce compliance for a particular licence will be reflective of the scale and complexity of the activities within that licence.

5. Charging (cost recovery) model

5.1. Outputs and business processes of the activity

Table 2 sets out the regulatory activity outputs to be undertaken by the OIR. Effort will be cost recovered through fees for design notifications, management plans, work health and safety (WHS) licences, authorisations and registrations, diving safety management systems, safety zones and protection zones. All other outputs will be cost recovered through the annual compliance levy.

Table 2: Activity outputs

Activities	Process
Compliance (all licence types)	• Ongoing compliance monitoring activities, inspections and investigations, including against licence conditions • As-required enforcement activities including directions, notices, infringements, civil and criminal prosecutions • Provision of information, assessments, analysis, reports, advice and recommendations to the Registrar/Minister in relation to the administration of licencing processes administered by the Registrar (e.g.: Grant, Extension, Variation, Surrender, Cancellation, Transfers or Change in Control)
Design notification	• Receipt of applications • Assessment of applications (including any procedural fairness requirements) • Consultation with the Registrar (where applicable) • Implementation of decisions • Dissemination and publication of information • Ongoing assessment of revisions • Stakeholder engagement and promotion of good practice both prior to and during the assessment • Core process development, implementation and maintenance • Developing and maintaining guidance material for applicants and licence holders • Developing and maintaining a regulatory management system and associated records • Cooperation with other Commonwealth, State and Territory agencies and authorities having functions relating to the regulation of offshore infrastructure activities
Management plan approvals	• Receipt of applications • Assessment of applications (including any procedural fairness and transparency requirements) • Consultation with the Registrar (where applicable) • Implementation of decisions • Dissemination and publication of information, including transparency of decision-making • Ongoing assessment of revisions • Assessment of financial security arrangements • Ongoing compliance monitoring activities, inspections and investigations • As-required enforcement activities including directions, notices, infringements, civil and criminal prosecutions • Infrastructure decommissioning planning and oversight • Developing and maintaining guidance material for applicants and licence holders • Developing and maintaining a regulatory management system and associated records • Cooperation with other Commonwealth, State and Territory agencies and authorities having functions relating to the regulation of offshore infrastructure activities
Licences, authorisations	• Receipt of applications, assessment, and implementation of decisions in relation to the applied WHS provisions

and registrations under the applied WHS provisions	• Authorisation and approval processes are provided under the WHS Act and under the WHS Regulations. These include:
	  • Approval of courses of training in WHS including HSR training
	  • Approval for courses of training in workplace entry by WHS entry permit holders
	  • High risk work licence applications and renewals
	  • Application for general construction induction training cards
	  • Asbestos removal licence applications, renewals and licence replacement
	  • Assessment of safety cases and licences for major hazard facilities
	  • Registration of plant designs and items of plant

Diving safety management systems (under the applied WHS provisions)	• Receipt of applications • Assessment of applications • Implementation of decisions • Ongoing assessment of revisions • Ongoing compliance monitoring activities, inspections and investigations • As-required enforcement activities including directions, notices, infringements, civil and criminal prosecutions • Developing and maintaining guidance material for applicants and licence holders • Developing and maintaining a regulatory management system and associated records
Safety zones	• Receipt of applications • Assessment of applications (including any procedural fairness requirements) • Consultation with the Registrar (where applicable) • Implementation of decisions including determinations and administration of notifiable instruments • Dissemination and publication of information • Ongoing compliance monitoring activities, inspections and investigations. • As-required enforcement activities • Developing and maintaining guidance material for applicants and licence holders • Developing and maintaining a regulatory management system and associated records • Cooperation with other Commonwealth, State and Territory agencies and authorities having functions relating to the regulation of offshore infrastructure activities
Protection zones	See item above (Safety Zones) for general overview of process, but noting that protection zones are legislative instruments: • Public consultation on proposed protection zone determinations • Implementation of decisions including determinations and the administration of legislative instruments
Legislative development	• Provision of operational and regulatory advice to DCCEEW on ongoing policy and regulatory development and reform • Contribution to drafting instructions and liaison with relevant state and Commonwealth government agencies in relation to regulatory initiatives • Consultation with relevant stakeholders on regulatory initiatives and requirements
Regulatory implementation	• Development and implementation of regulatory policies and guidance • Development, implementation and maintenance of core processes in line with regulatory requirements. • Development and implementation of regulatory management systems, electronic approvals tracking, consultation platforms, inspection, investigation and enforcement systems
Engagement	• Consultation and engagement with industry on requirements of and compliance with the regime • Cooperation with other Commonwealth, State and Territory agencies and authorities having functions relating to the regulation of offshore infrastructure activities • Consultation and engagement with domestic and international stakeholders • Development and ongoing management of website and communications collateral • Management of feedback and complaints
Governance and strategy	• Management of resourcing to deliver regulatory functions

	• Delivery of long-term improvement initiatives to enhance industry performance and achieve regulatory objectives • Management of cost recovery through fees and levies • Management of statutory reviews and other oversight arrangements • ICT and record keeping

5.2. Costs of the regulatory activity

Direct and indirect costs are allocated to each output based on management estimates of effort required for the regulatory activities as outlined in **Table 3**. The current estimates of direct costs have been informed by experience to date and comparison to effort expended on similar regulatory activities administered by NOPSEMA under the offshore petroleum legislation. Time estimates and cost recovery arrangements for offshore infrastructure activities will be refined as more data becomes available in forward years.

All indirect costs are allocated using headcount on a full-time equivalent (FTE) basis. NOPSEMA commissioned external audit consultants to review this approach who confirmed that it is the most appropriate method for the allocation of indirect costs.

Indirect costs allocated for OIR's FTE count include:

- human resources, information technology and communications, finance and administrative functions
- recruitment, training and travel costs
- expenses related to the Perth and Melbourne office

No significant capital costs are budgeted for the period.

Table 3: Direct and indirect costs estimated for 2025-26 to 2028-29

	Financial Year							
	2025-26		2026-27		2027-28		2028-29	
	ASL	$'000	ASL	$'000	ASL	$'000	ASL	$'000
Staff Costs including staff benefits (Direct)								
EL2 Executive Director	0.9	293	1.3	533	1.4	591	1.5	660
EL2 Director	1.6	473	2.3	854	2.7	1,015	2.8	1,102
EL1R Regulatory Specialist	2.0	528	6.4	2,192	8.4	2,882	10.2	3,608
EL1A Principal Advisor	3.2	538	4.8	1,041	4.5	975	4.7	1,046
APS6 Regulatory Officer	1.9	220	3.0	446	3.4	520	3.6	570
APS4 Regulatory Assistant	1.0	87	1.5	170	1.9	221	2.2	251
CEO Accountable Authority	0.1	40	0.2	81	0.2	88	0.2	93
Other direct costs		1,039		1,302		656		597
Total direct costs		**3,218**		**6,618**		**6,948**		**7,928**
Indirect costs		1,036		1,078		1,121		1,166
Total		**4,254**		**7,696**		**8,069**		**9,094**

Based on analysis of effort required, **Table 4** shows the allocation of the OIR's costs to outputs for forward years based on anticipated operational licences, consequent regulatory activities and takes into account the temporary financial relief measures that came into effect in November 2025 (see section 1.3 of this document).

The figures were derived by multiplying the direct and indirect costs by the effort estimated to achieve each output.

Table 4: Cost allocated to outputs for 2025-26 to 2028-29

Output No	Output	2025-26				2026-27				2027-28				2028-29			
		Effort %	Direct $'000	Indirect $'000	Total $'000	Effort %	Direct $'000	Indirect $'000	Total $'000	Effort %	Direct $'000	Indirect $'000	Total $'000	Effort %	Direct $'000	Indirect $'000	Total $'000
1	Compliance	**18%**	577	186	**763**	**32%**	2,116	345	**2,461**	**38%**	2,673	431	**3,104**	**39%**	3,073	452	**3,525**
2	Design Notification	**2%**	80	26	**106**	**4%**	272	44	**317**	**1%**	83	13	**96**	**2%**	168	25	**193**
3	Management Plan	**1%**	35	11	**47**	**18%**	1,201	196	**1,397**	**12%**	833	134	**968**	**8%**	641	94	**735**
4	Management Plan Revision	**1%**	35	11	**47**	**5%**	303	49	**352**	**8%**	536	87	**623**	**7%**	545	80	**625**
5	WHS	**0%**	-	-	**-**	**3%**	171	28	**198**	**11%**	779	126	**905**	**22%**	1,750	257	**2,007**
6	Safety Zone	**0%**	-	-	**-**	**2%**	116	19	**134**	**1%**	70	11	**82**	**1%**	71	10	**82**
7	Protection Zone	**0%**	-	-	**-**	**2%**	106	17	**123**	**1%**	96	16	**112**	**1%**	98	14	**112**
8	Legislative Development	**14%**	463	149	**612**	**2%**	132	21	**153**	**1%**	61	10	**71**	**1%**	62	9	**71**
9	Regulatory Implementation	**28%**	912	294	**1,206**	**14%**	941	153	**1,094**	**9%**	655	106	**760**	**4%**	339	50	**389**
10	Engagement	**21%**	670	216	**886**	**12%**	771	126	**897**	**10%**	714	115	**830**	**9%**	726	107	**833**
11	Governance	**14%**	445	143	**588**	**7%**	490	80	**570**	**6%**	446	72	**518**	**6%**	454	67	**521**
Total		**100%**	**3,218**	**1,036**	**4,254**	**100%**	**6,618**	**1,078**	**7,696**	**100%**	**6,948**	**1,121**	**8,069**	**100%**	**7,928**	**1,166**	**9,094**

5.3. Design of the regulatory charges

The OIR's cost recovery charges comprise an annual compliance levy implemented through different types of licences, and fees charged on applications made to the OIR for approvals under the OEI Act and its regulations. A combination of levies and fees allows the OIR to implement an agile structure that can be responsive to changes in industry activity and associated workload over time.

Table 5: Cost recovery structure for OEI activities in 2025-26 to 2028-29

	Financial Year			
	2025-26 $'000	2026-27 $'000	2027-28 $'000	2028-29 $'000
Annual Levies	3,127	700	700	5,520
Applications Fees	170	1,436	1,531	1,870
Total	**3,297**	**2,136**	**2,231**	**7,390**

Note 1 – Revenue generated from application fees is indicative and based on estimates of industry activity levels. Fees to assess some applications are charged on a cost per hour basis to ensure equitable cost recovery for expenditure of regulatory effort.

Note 2 – Figures for annual levies reflects the financial impact of the temporary financial relief measures per ***section 1.3****.*

The OIR's cost model has been designed to ensure stable revenue for core functions and to enable effective delivery of regulatory services on an ongoing basis. The OIR requires stable and predictable levy revenue to maintain access to sufficient resources, capacity, and qualified personnel to deliver its regulatory functions on a consistent basis, even where the number of regulatory applications received is variable year on year.

Additional costs will be incurred by the OIR associated with receiving, assessing, and making decisions on applications required under the OEI framework. Assessment of these applications will require specialist technical skills to be accessed from existing NOPSEMA staff and/or from external sources where additional expertise is required. The nature and scale of regulatory submissions to the OIR are likely to be highly variable dependent on the projects to which the applications relate. For example, activities undertaken to evaluate the feasibility of an offshore infrastructure project are relatively minor compared to development activities authorised by a commercial licence. Similarly, a management plan for construction, commissioning and operation of a single interconnector cable under a transmission and infrastructure licence is likely to be less complex and therefore require less regulatory effort, than a management plan for a large-scale offshore wind farm and associated transmission infrastructure.

To ensure that costs associated with assessing these plans are equitably recovered from regulated entities a number of fees have two components; an initial application fee to be paid on submission, and an assessment fee calculated on a cost for effort basis as described in section 5.3.2.

In the OIR's view, transparency and stability in the level of fees and levies is critical to providing consistency and clarity for industry, ensuring regulatory activities are undertaken in a timely manner and enabling licence holders to engage with and understand their obligations under the regime. Levies and fees will be reviewed annually in accordance with the Australian Government Cost Recovery Framework and will be adjusted as the industry develops. The OIR will maintain full transparency by notifying and consulting industry where required prior to any potential future changes to cost recovery amounts or structures.

5.3.1. Compliance levies

To allow cost recovery to occur at the earliest practicable point in the OEI lifecycle the majority of costs associated with delivery of the functions of the OIR will be recovered through an annual compliance levy imposed on each licence from the time that the licence is granted and then annually for the duration of the licence.

Effective regulatory oversight will necessitate advice, guidance, compliance monitoring and other regulatory services being provided to regulated entities.

Particularly in the early stages of the regime an annual levy will provide OIR with a necessary stable funding base to allow delivery of its regulatory functions.

The annual compliance levy is structured such that licences that involve larger and more complex projects attract proportionately higher levies than smaller or more limited projects, such as research and demonstration licences. This is appropriate because the OIR's regulatory effort and costs for work related to feasibility licences or research and demonstration licences will generally be less than commercial licences. This differentiation is given effect by setting a base rate for each licence type with a variable component calculated on the basis of total licence area. The variable component of the levy will ensure that larger scale projects, which are likely to have more frequent and complex offshore infrastructure activities, attract proportionately higher levies. Transmission and infrastructure licences will attract a flat levy per licence as it is not anticipated that the length of transmission infrastructure will significantly alter required regulatory effort.

Table 6 outlines the expected activity levels, and the revenue forecast reflects the financial impact of the temporary financial relief measures per **section 1.3**. Waived annual levies will be applied to feasibility and research and demonstration licences for two payment periods for licences granted before 30 June 2027. Halved annual levies will be applied to transmission and infrastructure licences for two payment periods for licences granted before 30 June 2027.

A reduction in the fixed base rate for research and demonstration licence levies from $100,000 to $50,000 is proposed to come into effect after the temporary pause to reflect the level of effort required for research and demonstration licences and the expectation that these will generally cover smaller areas.

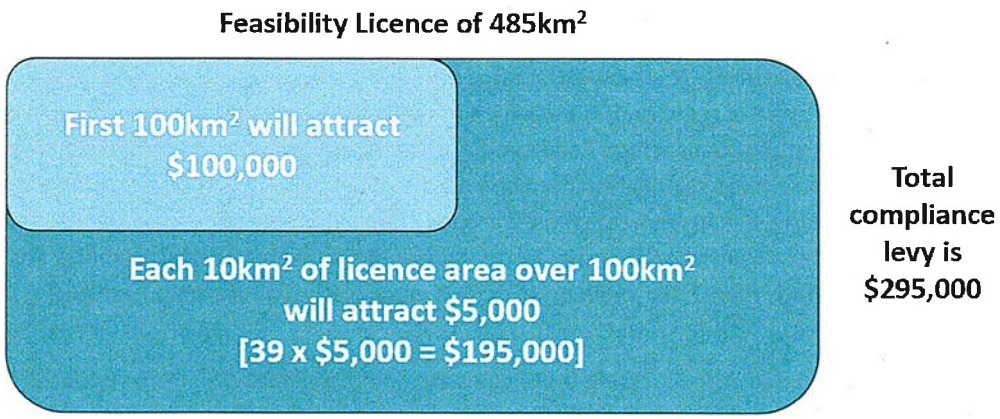


Figure 1: Example of levy amount calculation for a feasibility licence

Table 6: Annual compliance levy revenue estimates for 2025-26 to 2028-29

	Estimated Total No. of licences				Proposed levy rate			Levy revenue estimate $'000			
	2025-26	2026-27	2027-28	2028-29	Area Km²	First 100 KM²		2025-26	2026-27	2027-28	2028-29
Feasibilty licence	13	13	13	13	500	$100,000	$5,000 per 10km² thereafter	3,900	3,900	3,900	3,900
Commercial licence	-	-	-	-	500	$300,000	$10,000 per 10km² thereafter	-	-	-	-
Research & demonstration licence	-	4	4	4	100	$50,000	$1,000 per 10km² thereafter	-	220	220	220
Transmission & infrastructure licence	1	14	14	14	N/A	N/A	$100,000	100	1,400	1,400	1,400
Financial relief measures											
Feasibilty licence	*Waive annual levies*							*- 848*	*- 3,900*	*- 3,900*	-
Research & demonstration licence	*Waive annual levies*							*-*	*- 220*	*- 220*	-
Transmission & infrastructure licence	*Halve annual levies*							*- 25*	*- 700*	*- 700*	-
Levy Estimate	**14**	**31**	**31**	**31**				**3,127**	**700**	**700**	**5,520**

Note 1 - Estimated total number of licences is not a limit or cap on the number of licences that may be granted. It is estimated based on known licence grants and anticipated future licencing processes at the time of writing.

Note 2 – As a result of changes in this CRIS, the area for cost recovery for a research and demonstration licence applies to the first 50km²

5.3.2. Fees

For management plans, safety zones, and protection zones, fees payable to the OIR will be calculated as a base application fee per occurrence plus a sliding scale assessment fee for further work, invoiced periodically throughout the assessment. The total fee will represent the full cost to the OIR for undertaking an assessment of a submission.

This will consist of:

a. an **application fee** – to accompany each application; and
b. an **assessment fee** - to be paid throughout the course of an assessment with a final fee payment at conclusion of the assessment.

The **application fee** will be paid to coincide with submission of an application. The quantum of this fee reflects the effort required to manage receipt and administration of submissions including registration in the OIR's management systems and publication of application information where required.

The **assessment fee** will cover costs incurred for effort and specialist skills required to assess the technical detail of each application on a fee-for-service basis. The assessment fee will become due when the OIR issues an invoice to the applicant, payable according to the invoice. For extended assessments, invoicing will occur quarterly.

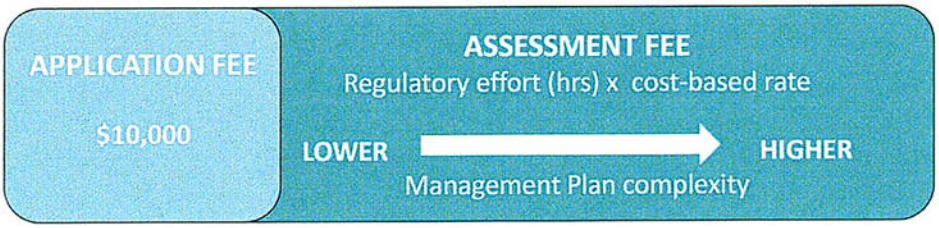


Figure 2. Management plan fee structure

The amount payable for any fee must not exceed the total costs to the OIR for assessing an application. The cost-based rate is established with consideration to the hourly rate of OIR staff inclusive of fixed corporate overheads and is reviewed annually. The fee may include costs associated with specialist external advice where necessary.

The effort-based fee structure allows for an equitable method for the charging of assessment related regulatory costs, as the costs for assessing smaller scale projects or less complex activities are proportionate to effort, and cross-subsidisation of regulatory costs associated with assessments is avoided. The fees estimated in **Table 7** reflect assumptions of the effort required for each assessment type but will vary depending on the nature and complexity of the submission.

Fees are also payable for the assessment of other applications and authorisations under the applied work health and safety provisions of the OEI Act. Consistent with the principle of full cost recovery, the OEI Regulations establish fees that are proportionate to effort and costs incurred to administer each application or authorisation.

The types of applications and authorisations to which fees apply are:

- assessment of a design notification
- approval of course of training in work health and safety
- approval of course of training in workplace entry by WHS entry permit holders
- application for high-risk work licence
- application for a general construction induction training card
- application for asbestos removal licence
- assessment of a diving safety management system
- application for a major hazard facility licence
- application to register a plant design or an item of plant
- associated renewal, replacement and revision of the above applications and authorisations where relevant.

Table 7: Annual application and assessment fee revenue estimates for 2025-26 to 2028-29

	Estimated total No. of submissions				Fee amount		Fee revenue estimate $'000			
	2025-26	2026-27	2027-28	2028-29	Application Fee	Assessment Fee (est)	2025-26	2026-27	2027-28	2028-29
Design Notification	1	3	1	2	-	$ 90,000	90	270	90	180
Management Plan	1	12	10	7	$ 10,000	$ 52,500	40	795	625	460
Management Plan Revision	1	5	7	7	$ 10,000	$ 52,500	40	245	415	415
Safety Zone	0	3	2	2	$ 10,000	$ 5,000	-	45	30	30
Protection Zone	0	2	2	2	$ 10,000	$ 5,000	-	30	30	30
WHS	0	27	191	420			-	51	341	755
Total (estimated)	**3**	**52**	**213**	**440**			**170**	**1,436**	**1,531**	**1,870**

Note 1 – Revenue generated through assessment fees is indicative only and will vary dependent on the nature, scale and complexity of the regulatory submissions received.
Note 2 - Estimated total number of submissions is not a limit, and is based on estimated licensing activity as at April 2026.

6. Risk assessment

A Charging Risk Assessment (CRA) was undertaken in April 2026 which resulted in a medium risk ranking overall. The main budget risk for the OIR would be a reduction in the number of anticipated licences in the outward years. In particular, the number of transmission and infrastructure licence and research and demonstration licences remains uncertain. Annual cost recovery reviews and CRIS updates will be undertaken in the coming years to manage changes in licence numbers and industry activity levels. Funding has been provided by Government to date to support the establishment of the OIR and will be provided to offset the temporary levy relief measures. Future funding will be taken into consideration in any changes to cost recovery arrangements.

7. Stakeholder engagement

The OIR undertook targeted consultation to provide the draft CRIS and other relevant information to licence holders. The OIR invited stakeholders to make written submissions and provide the opportunity to query any aspects directly with the OIR representatives. The feedback period on the draft CRIS was open for two weeks, during which time the OIR leveraged opportunities to draw attention to the consultation process for this CRIS. The draft CRIS was also published on OIR's website providing other interested parties the opportunity to provide feedback.

7.1 Feedback received

The OIR received one submission from a licence holder. No other payee groups provided feedback in relation to the draft CRIS. The submission supported the principle of full cost recovery for regulatory activities under the OEI Act framework recognising the OIR's role in maintaining safe, effective and transparent regulation of the offshore renewables sector and acknowledged the OIR's efforts to reduce cost recovery burden to the sector.

Specific feedback raised, relevant to this CRIS, are addressed below.

Reintroduce levies gradually following temporary relief

Following the levy relief period, it is proposed that the full amount of the compliance levy would be reinstated. The respondent raised that this may create challenges and sharp cost increases for feasibility licence holders who are still progressing through feasibility stage activities and proposes reintroducing levies on a graduated basis over a three-year period to reduce risks of proponents exiting the Australian market at a critical stage.

The fee and levy relief currently in place will be reviewed after the first year of implementation to ensure that the funding offset arrangements are accurate for the 2027 calendar year and reflect the costs of administering the OEI framework. Consideration of a gradual reintroduction of levies will be considered through this review process, noting the government decision to date is for full cost recovery.

Scale the feasibility licence levy to reflect regulatory demand

The feasibility licence compliance levy applies a flat base rate, as well as a variable component based on the licence area. The submission suggested that the current levy structure does not distinguish between projects that generate significant regulatory activity or those progressing at a lower intensity. The submission further suggests that the feasibility levy does not reflect the variation in practice or the stage of the project the licence holder is at.

The submission recommends that the OIR introduce scaling of the feasibility levy to reflect differences in project activity, maturity and regulatory demand.

The OIR considers that the processes involved in the delivery of the outputs, for example development of guidance material, provision of regulatory advice and ongoing stakeholder engagement and maintaining a core team of technical specialists are undertaken for the benefit of all OEI licence holders equally and not for the benefit of any one licence holder. The cost recovery levies are intended to fund the OIR's ongoing activities that cannot be readily attributed to a specific OEI licence or participant.

Publish indicative fee ranges for management plan assessments

The CRIS applies a two-part fee for management plans, including application fees and assessment fees recovered on a cost for effort basis. The submission suggests that this creates material cost uncertainty due to the nature, scale and complexity of the management plan submission.

The submission recommends publishing indicative fee ranges by submission type and complexity to support developers with project budgeting and reduce risks of unexpected costs that may delay project progression.

The OIR considers that given the variability of management plan submissions from the perspective of project complexity and quality of submitted documentation there are challenges in publishing forward projections or

indicative fee ranges for the assessment of management plans. This may change in future as the OIR assesses a larger number of management plans and licence holders become more familiar with the requirements of the law. Until this time and in line with current practice, the OIR will maintain close engagement with regulated entities, providing appropriate transparency of charging activities on a case-by-case basis.

Provide forward visibility of commercial licence cost recovery

The CRIS states the commercial levy rate but does not provide worked examples, indicative totals, or modelling for a project transitioning from feasibility to a commercial licence.

Stakeholder feedback suggests proponents need greater visibility of likely costs to support internal approvals, commercial structuring and financing as projects progress toward final investment decisions.

It is recommended that indicative cost recovery modelling for commercial licences is provided to support investment decisions and provide greater certainty for future requirements.

Noting the commercial licence stream is not yet fully implemented under the OEI Act framework, and a commercial licence cannot yet be applied for, further detail will be provided about commercial licence levies in a future CRIS in line with the stage of industry development.

Publish fee schedules for plant design and registration prior to commencement

The submission indicates that the absence of indicative fee information for plant and design registration makes it difficult for licence holders to incorporate these costs into project budgets and commercial arrangements.

It is recommended that, the OIR publish draft fee schedules for plant design and registration, prior to the commencement date, with incorporated consultation from industry.

The OIR will provide transparency of fees for plant design and registration to industry participants well in advance of the commencement of these requirements. It should be noted that commencement of the plant design and registration scheme is contingent on a package of regulatory amendments being progressed by the Department of Climate Change, Energy, the Environment and Water later this year to ensure the scheme can be fully operationalised by the OIR.

8. Financial performance (financial estimates)

Financial estimates are provided in **Table 9**. The CRIS will be updated accordingly as these financial estimates change.

Table 9: Summary of financial estimates for 2025-26 to 2028-29

	2025-26 $'000	2026-27 $'000	2027-28 $'000	2028-29 $'000
Revenue - Levies & Fees	3,297	2,136	2,231	7,390
Expenses	4,254	7,696	8,069	9,094
Operational Surplus/(Deficit)	**(957)**	**(5,560)**	**(5,838)**	**(1,704)**
Appropriations	1,501	6,364	4,876	57
Net Surplus/(Deficit)	544	804	(962)	(1,647)
Minimum Required Cash Balance	**545**	**1,329**	**1,573**	**1,833**
Forecasted Closing Cash Balance	**4,881**	**5,685**	**4,722**	**3,075**

The OEI Act framework commenced on 2 June 2022. The first OEI licence was granted on 29 April 2024 and subsequently cost recovery commenced with the first compliance levy notice issued on 1 May 2024.

As the OEI framework is relatively new, and the industry is still in its infancy in Australia, it will take time for the industry to develop and for the cumulative effect of granted licences to reach a point where full cost recovery is occurring and regulatory activity has stabilised.

The 2024-25 financial year had a higher revenue than anticipated which has resulted in an overall cash reserve brought forward. This was partially due to the grant of licences and consequent licence levies commencing prior to regulations that allowed for the authorisation of licence activities being finalised and implemented.

The 2025-26 financial year shows an overall operational deficit with an ongoing draw down on the existing cash base and appropriated funds over forward years being expended on finalising implementation work, operational regulatory activities and offsetting the financial impact of the temporary relief being provided to the sector. Financial estimates are expected to balance in forward years as industry activity and regulatory activity stabilises.

The OIR will continue to review underlying assumptions and revise cost recovery mechanisms where necessary, as certainty of industry activity increases.

9. Non-financial performance

The Corporate Plan 2025-30 outlines the OIR's goals, delivery strategies and performance indicators and aligns with the Regulator Performance Framework. The plan covers the period of this CRIS and is available on the OIR website at oir.gov.au.

The OIR will collect performance data in relation to the charging activities and non-financial performance, for consideration in future CRIS development.

CRIS approval and change register

NOPSEMA is the Offshore Infrastructure Regulator for the purposes of the OEI Act (see section 175 of OEI Act).

NOPSEMA is a Corporate Commonwealth Entity and the Chief Executive Officer of NOPSEMA is the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

Certification

As the accountable authority, I certify that this Cost Recovery Implementation Statement complies with the Australian Government Cost Recovery Guidelines.

Sue McCarrey

Chief Executive Officer of NOPSEMA

Date 7th August 2026

Change register

Date of change	CRIS change	Approver	Basis for change
September 2022	Initial CRIS (combined DCCEEW, Registrar, OIR)	The Accountable Authority of NOPSEMA and the responsible Minister	Joint CRIS developed with DCCEEW, Registrar and OIR for new OEI framework
July 2024	Revised CRIS as stand-alone OIR CRIS, and incorporate WHS fees	The Accountable Authority of NOPSEMA and the responsible Minister	Exposure Draft of OEI Regulations published in April 2024 identified new authorisations under the applied WHS provisions, requiring charging authority.
August 2026	Revised CRIS incorporating updated licence assumptions, outlines temporary financial relief measures, reduces compliance levy for research and demonstration licences and introduces charges for plant and design registration.	The Accountable Authority of NOPSEMA and the responsible Minister	Ensuring cost recovery aligns with industry activity and consequent regulatory effort and introducing new charges as required under regulations.