



THE HON CHRIS BOWEN MP
MINISTER FOR CLIMATE CHANGE AND ENERGY

MC23-003076

Mr Graeme Waters
Offshore Infrastructure Registrar

offshoreelectricity@nopta.gov.au

Dear Mr Waters

I am writing to outline my expectations, as the responsible Commonwealth Minister for the *Offshore Electricity Infrastructure Act 2021* (the OEI Act), as to the exercise of the functions and powers conferred on the Offshore Infrastructure Registrar (the Registrar) under the OEI Act and associated regulations.

This Statement of Expectations will assist with the Australian Government's commitment to effective governance and performance of regulatory functions, guided by the *Public Governance, Performance and Accountability Act 2013*. It forms part of the Government's commitment to good corporate governance of regulatory bodies and reducing unnecessary regulatory burden on business and the community.

Overview

The OEI Act commenced on 2 June 2022 and provides the legislative framework for licensing and regulation of offshore renewable energy infrastructure and offshore electricity transmission infrastructure in Commonwealth waters. The OEI Act establishes the Registrar.

Under section 153 of the OEI Act, the Registrar is a Senior Executive Service employee in any Department of State of the Commonwealth who is appointed to the role by the Secretary of the Department of Climate Change, Energy, the Environment and Water. In December 2022, you, as the General Manager of the National Offshore Petroleum Titles Administrator (NOPTA) Branch, in the Department of Industry, Science and Resources (DISR), were appointed as the Registrar.

Organisationally, the Registrar is to be assisted by Australian Public Service (APS) employees in any Department of State of the Commonwealth who are made available for the purpose by the Secretary of that Department in accordance with section 158 of the OEI Act. The Secretary of DISR, Ms Meghan Quinn PSM, has made APS employees located in the NOPTA Branch of DISR available to assist the Registrar.

The Registrar's operational expenses are cost-recovered through fees and levies imposed on the industry under the OEI Act and the *Offshore Electricity Infrastructure (Regulatory Levies) Regulations 2022*, as outlined in the Cost Recovery Implementation Statement.

Strategic Objectives

The establishment of an offshore renewable energy industry supports the Government's climate change and net zero objectives by reducing emissions from the electricity sector, while maintaining energy security, reliability and affordability.

The development of an offshore renewables industry will also bring additional benefits in Australia's national interest, including the creation of new jobs, skills and training for Australian workforce, regional development and support for manufacturing industries and the development of Australian supply chains, and significant investment in Australia's coastal economies.

To support the establishment and future growth of the offshore renewables industry, the Registrar must remain agile and adaptable to a changing economic, technological and regulatory environment.

Functions and Operations of the Registrar

The Registrar's principal functions are to administer the offshore electricity infrastructure licensing scheme, including managing the licence assessment process, providing advice and recommendations on licence applications, overseeing licence compliance and administration and maintaining a register of licences.

The delivery of these functions will include:

- Providing efficient, consistent and defensible analysis, advice and decisions that are risk based and supported by evidence.
- Contributing to efficient decision-making of the responsible Commonwealth Minister.
- Actively monitoring the technical and financial capability of licence holders to inform the execution of your regulatory obligations, including advising whether the licence holders continue to meet the merit criteria under the OEI Act and *Offshore Electricity Infrastructure Regulations 2022* (the OEI Regulations).
- Developing and maintaining an up-to-date compliance and enforcement policy.
- Proactively advising me and the Department of Climate Change, Energy, the Environment and Water on matters that may impact on or present an unacceptable risk to Government or industry operational objectives.
- Working with the offshore renewables industry to encourage early and proactive planning for the construction, installation, commissioning, operation, local engagement, maintenance and eventual decommissioning of offshore electricity infrastructure.
- Conducting your regulatory functions in a manner that builds trust and enhances accountability with stakeholders, while maintaining protection of confidentiality requirements.

In order to deliver your legislative functions in the most efficient manner, I expect you to:

- Optimise your organisational structure and maintain competent capacity to ensure your advice is accurate, consistent, evidence-based and credible.

- Collaborate with the Department as the policy agency and engage stakeholders to achieve timely, consistent, and well-informed outcomes.
- Adopt and maintain an effective risk-based framework for compliance monitoring and enforcement.
- Stay informed about technological advancements and operational practices in the offshore renewables sector and adapt your operations accordingly.
- Proactively identify opportunities to reduce regulatory burden and improve operational and cost-efficiency through regular reviews of policies, processes, and procedures.
- Ensure that cost recovery arrangements remain adequate to effectively discharge your administrative and regulatory functions.
- Maintain a sound information management system that records regulatory decisions, including the rationale and supporting evidence, and provide a publicly available register of licences and online approvals tracking system.
- Utilise benchmarking, stakeholder surveys, industry, community and worker engagement, and other means to obtain insights that drive improved regulatory outcomes.
- Report annually on the Registrar's performance to ensure accountability and transparency.

Regulatory Reform Agenda

The Government is committed to improving regulator performance, capability and culture through regulatory stewardship. This supports the Government's commitment to Australian Public Service Regulatory Reform by building trust in government and its institutions and by putting business and community at the centre of policy and services.

I expect you to contribute to the Australian Public Service Regulatory Reform agenda by applying the Resource Management Guide 128 Regulator Performance to your regulatory functions to assess your performance and engagement with stakeholders, including reporting against the principles of regulator best practice through your annual report.

Collaboration and Engagement

I expect you to be proactive in keeping me informed of significant actions or issues related to your legislative and administrative functions.

I expect you to work closely with the Department, and to cooperate with other Commonwealth agencies and authorities having functions relating to the regulation of offshore infrastructure activities to ensure a consistent, whole-of-government approach.

I expect you to ensure that coastal communities and First Nations people impacted by offshore development are meaningfully engaged by licence holders and related industry stakeholders to leverage genuine community benefits from this industry, and mitigate unintended impacts on the environment, communities, and existing local industry.

I also expect that you will continue to engage with overseas counterparts to ensure Australia remains at the forefront of international regulatory best practices.

As the responsible Minister, my Department will ensure you are well informed of the Government's policy direction, as specific initiatives and strategies are being considered, to allow you to consistently implement best practice.

Offshore Infrastructure Regulator (the Regulator)

I expect the Registrar to cooperate with the Regulator in matters relating to the administration and enforcement of the OEI Act and the applied work health and safety provisions to facilitate a seamless operating environment for the offshore renewables industry. Information sharing between the Registrar and the Regulator should continue and any barriers to collaboration should be identified and addressed in a cooperative and timely manner.

Statement of Intent

I would appreciate your response to this letter in the form of a statement of intent within two months. The statement of intent is to outline how the Registrar will meet this Statement of Expectations.

I look forward to working with you to establish this new industry to Australia.

Yours sincerely



CHRIS BOWEN