



To: Department of Industry, Science and Resources

2 August 2024

Australian Government guidance for removal of oil and gas property and seadumping of infrastructure in Commonwealth waters

We appreciate the opportunity to make this submission on the draft guidelines for removing or satisfactory dealing with property and infrastructure from oil and gas operations.

About Environment Victoria

Environment Victoria is the leading not-for-profit environmental advocacy organisation in Victoria. With 40 grassroots member groups and over 200,000 individual supporters, we've been representing Victorian communities on environmental matters for over 50 years. Through advocacy, education and empowerment, Environment Victoria seeks significant and enduring solutions that will safeguard the environment and future wellbeing of all Victorians.

Removing old oil and gas infrastructure is a huge and important job

The Bass Strait off Victoria hosts a range of marine species, including endangered species, commercial fishing, and cultural value. In this area there are 22 oil and gas platforms, over 2,000 km of pipeline and 460 wells, as well as other infrastructure, that need to be safely and adequately decommissioned and removed.¹

The proper removal of oil and gas infrastructure is a major environmental concern in Victoria. A large proportion of the oil and gas infrastructure in Commonwealth waters off Victoria's coast is no longer operational and companies such as Esso are proposing to leave legs, jackets and pipes in the ocean floor rather than removing them.

¹ 'Decommissioning | NOPSEMA', accessed 29 July 2024, <https://www.nopsema.gov.au/offshore-industry/decommissioning>.



All oil and gas infrastructure presents serious risks to the environment whether it is operating or not. This year alone, there have been at least two gas condensate and corrosion chemical spills from Victoria's gas rigs.² Disused and partially removed oil and gas infrastructure presents an ongoing risk of ocean contamination by mercury, mercury compounds, radioactive material, persistent organic compounds, asbestos and plastics. Complete and timely removal of oil and gas infrastructure is recognised by experts as best practice.

In order to do this job properly, Australia needs to establish a domestic oil and gas decommissioning industry that provides high-quality jobs for workers and encompasses dismantling, recycling and disposal.

The draft guidelines invite oil and gas companies to cut corners

It is a legislative requirement under the Offshore Petroleum and Greenhouse Gas Storage (OPGGs) Act, as well as a responsibility of the London Convention and Protocol of which Australia is signatory, that oil and gas infrastructure is removed at end of operations. The OPGGS Act does not provide an alternative to removal.³ Furthermore, it is technically feasible to fully remove offshore oil and gas infrastructure.

The problem is that oil and gas companies have strong incentives to dump their property – complete removal is expensive and there is no profit to be made in cleaning up. As a result, disused wells have already been left in the ocean to degrade and make future clean-up more difficult and unsafe for workers.

Despite the legislation and risks, the draft guidelines provide the oil and gas industry with a long list of excuses for leaving a range of different component types in the ocean. They work in contradiction of the Act and London Protocol. This is backwards regulation: it signals that incomplete removal is an expected norm rather than something that can only be allowed in exceptional and justifiable circumstances.

Although there have been recent improvements to regulator practices following the Northern Endeavour debacle, regulation of decommissioning is currently not up to this very large clean-up task – and these draft guidelines are a step in the wrong direction.

What we would like to see

Given the massive clean-up task that Australia is facing, it is essential that regulators set a strong expectation that infrastructure is fully removed in all but the most exceptional and constrained circumstances. These companies have exploited and profited from the Bass Strait for more than 60 years – they now need to wind up their operations properly.

² Gabriel Porritt, 'Senate Estimates Reveal Second Esso/Exxon Mobil Gas Rig Leak off Victoria's Gippsland Coast in Two Months', Australian Marine Conservation Society, 7 June 2024, <https://www.marineconservation.org.au/senate-estimates-reveal-second-esso-exxon-mobil-gas-rig-leak-off-victorias-gippsland-coast-in-two-months/>.

³ Tina Soliman-Hunter, 'Best Practice for Dismantling, Recycling, and Disposal of Offshore Petroleum Structures' (Macquarie University, 2023), <https://www.mua.org.au/sites/mua.org.au/files/170381%20MUA%20Macquarie%20decommissioning%20DPRD%20report%20FINAL%2040pp%20A4%20%28002%29.pdf>.

We call for:

- Guidelines that set a baseline expectation that infrastructure will be removed completely, consistent with the OPGGS Act. The guidelines should not prompt operators to seek permission to leave parts behind – for example, there should not be a list of what “may be permitted to be left in the sea.”
- Full consistency with international conventions including the London Protocol.
- Introduce fees and/or levies such that industry funds its own clean-up activities, including the cost of regulator oversight of decommissioning. Regulators should regularly review and adjust industry provisioning for clean-up expenses to reflect contemporary reality.
- Development of a decommissioning industry through strong regulation, with a focus on environmental best practice and high-quality jobs for workers transitioning out of fossil fuel industries.

If you would like to discuss this submission you are welcome to contact me on the details below.

Dr Kat Lucas-Healey
Senior Climate and Energy Advisor
Environment Victoria
k.lucashealey@environmentvictoria.org.au
0404 571 605