

THE FAILING REGULATION OF THE OFFSHORE OIL AND GAS INDUSTRY CLEAN UP IN AUSTRALIA

STATEMENT OF CONCERN
AUGUST 2024



GREENPEACE



Our organisations work across many traditional nations. We pay our respects to elders past and present. We recognise the rights, aspirations and contributions of First Nations' peoples in all aspects of caring for and connection to land, sea and water. We acknowledge that sovereignty was never ceded.



**WILDERNESS SOCIETY
AUSTRALIAN MARINE CONSERVATION SOCIETY
GREENPEACE AUSTRALIA PACIFIC
FRIENDS OF THE EARTH MELBOURNE
ENVIRONMENT CENTRE NORTHERN TERRITORY
CONSERVATION COUNCIL WESTERN AUSTRALIA**

IMAGE: NINGALOO REEF, WA / DARKYDOORS / SHUTTERSTOCK

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STATEMENT OF CONCERN

The Wilderness Society, the Australian Marine Conservation Society, Greenpeace Australia Pacific, Friends of the Earth Melbourne, the Environment Centre Northern Territory and the Conservation Council Western Australia collectively represent over one million Australians concerned about nature, in areas of the country where Australia's offshore oil and gas industry operates.

Our organisations make this collective statement to express our deep concern that inadequate laws and insufficient compliance and enforcement are resulting in oil and gas companies failing to clean up infrastructure from the ocean.

Decaying and abandoned oil and gas infrastructure is threatening the marine environment and the safety of offshore oil and gas industry workers.

New laws and stronger compliance and enforcement are urgently needed to ensure oil and gas companies remove infrastructure from the ocean at the end of operations.

Delivering these reforms will create new economic opportunities and jobs as Australia undertakes the necessary transition away from fossil fuels.



IMAGE: SUPPLIED

RISKS TO THE ENVIRONMENT, WORKERS AND PUBLIC FUNDS WHEN OIL AND GAS COMPANIES FAIL TO CLEAN UP INFRASTRUCTURE

Case Study 1: Northern Endeavour liquidation resulted in clean up falling to the Australian Government, paid for by a temporary levy on the oil and gas industry (Page 8)

Case Study 2: Woodside delayed removal of the Nganhurra riser turret mooring tower, creating navigational and environmental hazards (Page 9)

Case Study 3: Esso/ExxonMobil and Woodside delayed clean up of infrastructure in the Bass Strait, resulting in an emergency evacuation of workers from an unsafe platform and multiple spills harming the environment (Page 10)

Case Study 4: NOPSEMA permitted Woodside to abandon 11 RTM anchors and associated 30 m chain bridles from the Griffin field off the coast of Western Australia (Page 12)

Case Study 5: Santos using the possibility of reusing existing infrastructure for a carbon pollution dumping CCS project to delay clean up of the Bayu-Undan pipeline (Page 12)

KEY POINTS FOR DECISION MAKERS

Australia's offshore oil and gas industry has been operating for more than 60 years, without seeking or obtaining the consent of First Nations, and has systematically failed to clean up at the conclusion of extraction operations.

Disused and ageing infrastructure creates significant risks to the marine environment, to offshore workers and to Australian taxpayers.

Taxpayers are at risk of being left to foot the bill for cleaning up ageing and polluting oil and gas infrastructure. This is estimated to be a total of more than 60 billion Australian dollars.¹

The high profile 2020 liquidation of the Northern Endeavour oil operations shone a light on the failure of Australia's offshore oil and gas regulator, the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA), to ensure oil and gas companies are cleaning up after the end of operations.

The Northern Endeavour liquidation also highlighted the failure of the National Offshore Petroleum Titles Administrator (NOPTA) to ensure companies have the financial capacity to meet their obligations to clean up at the end of operations.

Since the Northern Endeavour disaster, NOPSEMA and NOPTA have increased scrutiny of oil and gas clean up activity, and the Australian Government has introduced initial policy reforms. However, progress towards companies removing infrastructure from the marine environment remains slow and inadequate.

Australia's governmental policy and regulatory regime for offshore oil and gas urgently requires strengthening to ensure clean up occurs as soon as possible and while companies demonstrably have the financial capacity to undertake infrastructure removal and remediation activities.

Recommendations to address the failing regulation of offshore oil and gas industry clean up in Australia are detailed on page 6 and include stronger enforcement of existing laws by NOPSEMA, legislative change to introduce clean up bonds² for oil and gas companies and an expansion of the LamCor levy to pay for common-use clean up infrastructure.³

Delivering clean up of oil and gas infrastructure will help heal, restore and reduce serious risks to the marine environment, protect workers, prevent costs falling to taxpayers, and is an important opportunity to create jobs and build new industries as Australia transitions away from fossil fuels.



WHAT IS OIL AND GAS INFRASTRUCTURE CLEAN UP?

Oil and gas companies have extracted fossil fuels from beneath the ocean in the waters surrounding Australia since the 1960s. This extraction has involved the installation of extensive infrastructure in the ocean, including wells, pipelines, anchors, chains, rigs, towers, cabling and floating platforms. The process of dismantling and removing oil and gas infrastructure from the ocean, once operations have ceased, is described in this statement as oil and gas clean up. The terms ‘decommissioning’ and ‘restoration’ are commonly also used to describe the activity of cleaning up disused oil and gas infrastructure.

HOW IS OIL AND GAS INFRASTRUCTURE CLEAN UP REGULATED IN AUSTRALIA?

The National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA) is responsible for ensuring oil and gas companies clean up disused oil and gas infrastructure installed in Commonwealth waters.⁴ This requirement for oil and gas companies to remove structures no longer in use comes from the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). Oil and gas companies must prepare and submit to NOPSEMA an environment plan describing how the clean up task will be undertaken. NOPSEMA makes a decision on whether the environment plan is acceptable.

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) also regulates oil and gas clean up in circumstances where companies propose to leave any infrastructure in the ocean. Companies seeking to leave infrastructure in the ocean must apply for a ‘sea dumping permit’ under the *Environment Protection (Sea Dumping) Act 1981*.

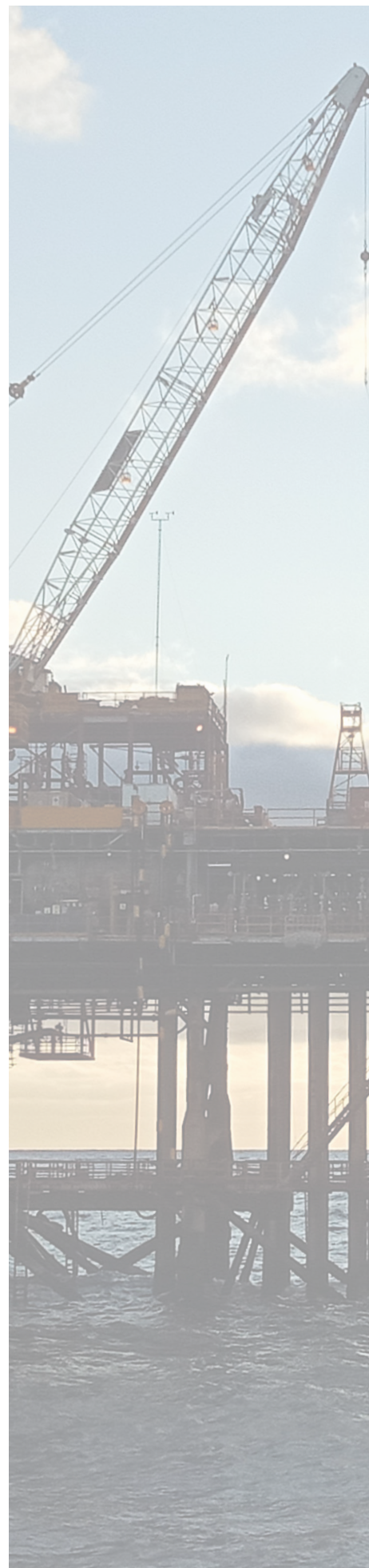
NATIONAL NATURE LAWS AND NOPSEMA

NOPSEMA’s authority as an environmental regulator comes from the accreditation system under Australia’s nature protection law, the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) that authorises NOPSEMA to undertake environmental assessments for offshore oil and gas activities, including infrastructure clean up.

The Australian Government is currently pursuing changes to the EPBC Act, following the second independent review of that Act by Professor Graeme Samuel in 2020. The Samuel Review found that current environmental laws are not fit-for-purpose to meet the challenges of biodiversity loss and climate change.

Among many other things, the required changes to Australia’s nature law must improve nature protections, as well as assessment processes, regulation and oversight. These changes, if they occur, should equally improve standards and expectations of offshore oil and gas activities including project assessment and approvals, infrastructure clean up and any proposals for reusing existing infrastructure for carbon pollution dumping via carbon capture and storage (CCS).

Currently proposed changes to Australia’s nature law include the creation of “Environment Protection Australia” (EPA) and a data division, Environment Information Australia (EIA). To effectively protect the marine environment from the impacts and risks associated with the oil and gas industry, it is critical that the EPA is: truly independent (including with an independent board); transparent and accountable to First Nations and the broader community (including with regard to relevant person consultations); and given assurance and compliance audit functions for accredited arrangements, including in relation to NOPSEMA. It is critical that comprehensive reforms to the EPBC Act necessary to meaningfully improve the status quo for nature are urgently progressed to protect Australia’s environment.



THE OIL AND GAS CLEAN UP CHALLENGE

AUSTRALIA'S OIL AND GAS INDUSTRY ISN'T CLEANING UP ITS MESS

Australia's oil and gas industry has been installing infrastructure in offshore waters since the 1960s. As a result, Australia's unique and spectacular marine environment is industrialised with more than 1,000 well heads, 57 oil and gas platforms, 13 floating facilities and 8,165 kilometres of pipeline.⁵ The bulk of this infrastructure is located off the coast of Western Australia and in the Bass Strait between Victoria and Lutruwita / Tasmania.

The Australian oil and gas industry has a record of avoiding clean up and disregarding environmental and worker safety risks. While Australia's Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGGS Act) sets a clear requirement that companies completely remove all infrastructure no longer in use,⁶ it is now starkly apparent that oil and gas companies have been systematically failing to deliver. (Case study 1: Northern Endeavour) (Case study 2: Woodside RTM).



IMAGE: SUPPLIED

AUSTRALIA'S ENVIRONMENTAL REGULATORS ARE NOT SUFFICIENTLY REGULATING OIL AND GAS CLEAN UP

Australia's national oil and gas regulator has existed in various forms since 2009 to regulate offshore petroleum activities in Commonwealth waters. In 2012, the agency's initial safety remit was expanded to include environmental oversight.

Ensuring the proper clean up of extractive industrial projects has always been a challenge.

Oil and gas companies operate in a profit-driven financial context where clean up is (appropriately) high cost, yet doesn't generate a profit. This creates a financial incentive for oil and gas companies to minimise or avoid financial expenditure towards clean up activities. Given this, a vigilant and effective regulator is needed to apply a high level of scrutiny to the planning for and delivering of oil and gas clean up activities.

Yet between 2012 and the Northern Endeavour disaster in 2020, NOPSEMA failed to enforce clean up obligations.

NOPSEMA did not issue any directions notices⁷ to companies to deliver clean up until late 2020⁸, despite extensive disused infrastructure in Australia's oceans. The first approved clean up environment plan wasn't in place until 2022. NOPSEMA's annual reports don't include a single reference to decommissioning between 2011-12 and 2015-16. From 2017-18 decommissioning is listed as "a challenge" in the annual report, however this did not translate into enforcement action on companies failing to undertake ocean infrastructure clean up.

The period in which NOPSEMA failed to enforce clean up has created ongoing threats to the marine environment including examples of toxic oil and gas substances spilling into the ocean. (Case study 3: Esso/ExxonMobil and Woodside clean up failures in the Bass Strait). There is also a risk that old and decaying structures are leaching heavy metals, radioactive materials, plastics and other chemicals into the marine environment where they accumulate in plants and wildlife.⁹

NOPSEMA's failure to regulate oil and gas infrastructure has also created offshore workplaces that pose enormous risk to oil and gas industry workers (Case study 3: ExxonMobil and Woodside clean up failures in the Bass Strait).

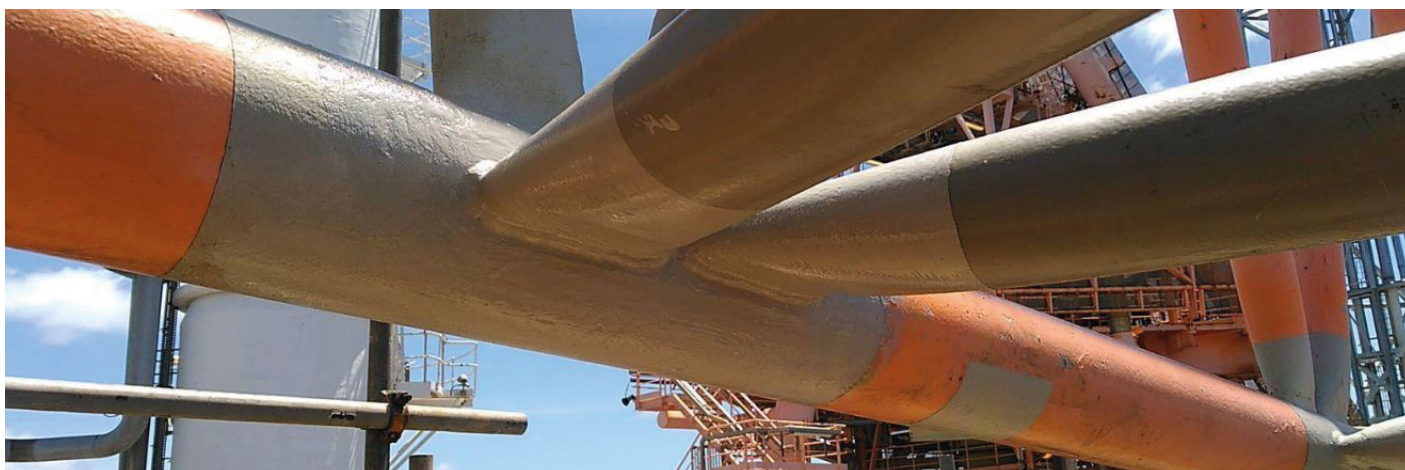


IMAGE: AUSTRALIAN GOVERNMENT

Following the Northern Endeavour disaster (Case study 1: Northern Endeavour), it is apparent that NOPSEMA began to intervene more actively on oil and gas clean up. Between 2020 and 2022, NOPSEMA issued a series of long overdue directions notices requiring companies to undertake outstanding clean up. NOPSEMA also provided updated guidelines on clean up expectations.

While some oil and gas companies are responding to regulatory pressure to bring forward clean up plans, they are doing so in a way that seeks to minimise the task and cost by leaving large volumes of infrastructure in the ocean. (Case study 3: Esso/ExxonMobil and Woodside clean up failures in the Bass Strait) (Case study 4: Woodside Griffin field anchor and chain abandonment) (Case study 5: Santos Bayu-Undan pipeline clean up delayed)

It is concerning that NOPSEMA has recently approved environment plans that allow the leaving of significant quantities of infrastructure in the ocean (Table 1) and that several significant environment plans are under development which also propose to leave vast quantities of infrastructure in the marine environment (Table 2).

With proposals to dump and abandon infrastructure now coming forward from companies, DCCEEW is taking on an increased regulatory role in oil and gas clean up through its administration of the *Environment Protection (Sea Dumping) Act 1981* (Sea Dumping Act).

It is **deeply** concerning to see recent NOPSEMA and DCCEEW draft guidelines that enable oil and gas companies to negotiate a wide range of infrastructure dumping.

This permissive approach to sea dumping is not acceptable because it:

- ➔ Creates ongoing contamination and pollution risks to the marine environment.
- ➔ Is contrary to the basis on which the industry has been allowed to install infrastructure in the first place, and then to profit from public resources.
- ➔ Is contrary to the clear expectation of all structures being removed, as is required under the OPGGS Act.
- ➔ Likely contravenes Australia's legal obligations under international law.
- ➔ Is a threat to the development of Australia's oil and gas clean up industry if global and domestic clean up companies and contractors determine that insufficient work will eventuate to justify their establishment in Australia.

AUSTRALIA'S OIL AND GAS INDUSTRY ISN'T CLEANING UP ITS MESS



IMAGE: GREENPEACE

AUSTRALIA'S OIL AND GAS CLEAN UP LAWS AND POLICY ARE NOT FIT FOR PURPOSE

While industry poor practice and ineffective regulators contribute to the current high risk of oil and gas companies not cleaning up their infrastructure in Australian waters, deficiencies in Australian Government policy and the regulatory regime itself are likewise a factor.

The “Enhancing Australia’s decommissioning framework” reforms introduced in response to the Northern Endeavour disaster were an important start in strengthening laws to ensure clean up. Ongoing issues that still need to be addressed include:

- ➔ The absence of a requirement that companies provide upfront financial security (such as a rehabilitation bond) to guarantee clean up.
- ➔ A lack of rigour and transparency in the financial provisioning that companies are making during the profitable stages of operation to cover the full costs of clean up.
- ➔ A lack of common use infrastructure and sufficient workforce to deliver on clean up activities.
- ➔ Policy loopholes that allow companies to abandon infrastructure by arguing that it supposedly results in better environmental outcomes or can possibly be reused.

With the upcoming cost of oil and gas clean up in Australia estimated at more than \$60 billion AUD, urgent reform is required to strengthen the regulatory system to prevent this liability falling to the marine environment, the Australian government, and the Australian taxpaying public.

OIL AND GAS CLEAN UP SOLUTIONS

ACTING NOW TO PROTECT OCEANS, WORKERS AND THE PUBLIC PURSE

The oil and gas clean up challenge is unfolding globally. Governments and regulators around the world are strengthening regulatory regimes and company obligations in what is quickly becoming a race to ensure oceans are cleaned up as soon as possible, and especially while companies still have the financial capacity to do so.

There is growing recognition that as an industry in transition, with a limited profitable future, oil and gas companies must be made to clean up ocean infrastructure on time. As such, **Australia must act now to ensure we are not at the back of the clean up line due to ineffective policy and regulation.**

In addition to protecting workers and the environment, timely and thorough clean up will create employment opportunities for offshore oil and gas workers and ensure critical materials such as steel are recycled and reused.

RECOMMENDATIONS

The Wilderness Society, the Australian Marine Conservation Society, Greenpeace Australia Pacific, Friends of the Earth Melbourne, the Environment Centre Northern Territory and the Conservation Council Western Australia are calling for the following to address the failure of offshore oil and gas industry clean up in Australia:

- 1. Amendments to the OPGGS Act and Sea Dumping Act to enshrine First Nations' cultural and self-determination rights** (including the right to give or withhold their free, prior and informed consent) and rights of the broader community to information, participation in environmental decisions, and to challenge bad decisions in line with international standards for public participation in environmental decision-making.
- 2. Stronger enforcement of existing regulations by NOPSEMA to drive comprehensive ocean infrastructure clean up as soon as possible.** Ensuring clean up occurs promptly while companies are still profiting is the most effective way to manage the risk they may lack the financial means and incentive to clean up in the future. This includes NOPSEMA fining and prosecuting company executives and directors where companies are failing to deliver clean up.
- 3. Amendments to the OPGGS Act to enable the National Offshore Petroleum Titles Authority (NOPTA) to undertake continuous assessment of financial suitability of oil and gas companies,** to ensure their ongoing capacity to deliver clean up. NOPTA also needs to closely regulate industry activities, such as sales, mergers and acquisitions, to prevent situations where there is a risk of failure to clean up.
- 4. Amendments to the OPGGS Act to introduce a bonding regime for oil and gas companies to ensure funds will be available in the event that a company fails to undertake clean up.** Bonds must be paid into a third party account and must be based on the cost as if the Australian Government was required to undertake the clean up. Payment of clean up bonds must be a prerequisite for any new approvals. For existing activities, bonds should be collected as soon as possible.
- 5. Legislative change to extend the Laminaria and Corallina Decommissioning Cost Recovery Levy,** which was initially introduced following the Northern Endeavour liquidation. The expanded LamCor levy will recover funds from the oil and gas industry to pay for shared clean up infrastructure (e.g. port infrastructure and recycling yards) needed to enable clean up and decommissioning to take place.
- 6. Establish a legislated system for public reporting of clean up obligations equal to the global best practice.** The reported clean up liability must be based on undiscounted, net-current clean up costs. These figures must be reported publicly to provide transparency to regulators and corporate actors, and to allow regulatory and financial decision making based on an accurate understanding of clean up liabilities. Liabilities must be recalculated annually. Australia's system of financial assurance should be brought into line with recent reforms in the United States.¹⁰
- 7. Amend the OPGGS Act to prohibit the reuse of old oil and gas ocean infrastructure, for example for carbon pollution dumping CCS or artificial reefs, where reuse has the potential for significant environmental harm.** Reuse proposals can be a pathway for oil and gas companies to avoid clean up, or reduce the cost of clean up, but are often technically uncertain, lack evidence and present risks to the marine environment.
- 8. Inclusion of assurance and compliance audit functions for the currently proposed Environment Protection Australia for any accredited arrangements, including in relation to NOPSEMA.**

FOR FURTHER INFORMATION REGARDING THIS STATEMENT CONTACT:

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TABLE 1: EXAMPLES OF OIL AND GAS INFRASTRUCTURE APPROVED TO BE LEFT IN THE OCEAN

EXAMPLE COMPANY AND FIELD	ESTIMATED TONNAGE STEEL AND CONCRETE
Cooper Basker manta gummy	15
Woodside (total)	2,220
Griffin	250
Stybarrow	150
Browse	30
Thebe-1, Calthorpe-1	15
Enfield	1,775
TOTAL	2,235

TABLE 2: EXAMPLES OF OIL AND GAS INFRASTRUCTURE COMPANIES ARE PROPOSING TO LEAVE IN THE OCEAN AT AUGUST 2024

EXAMPLE COMPANY AND FIELD	ESTIMATED TONNAGE STEEL AND CONCRETE
Chevron (total)	37
Gorgon Gas Development	30
Wheatstone-2 (Wellhead)	7
Esso (ExxonMobil and Woodside) (total)	95,544
Steel Pile Jackets	15,544
Pipeline*	80,000
* consulting stakeholders now on reuse / options to abandon	
Santos (total)	453,757
Bayu-Undan*	451,800
Mutineer, Exeter, Fletcher, Finucane	1,957
* considering reuse / option to abandon	
TOTAL	549,338

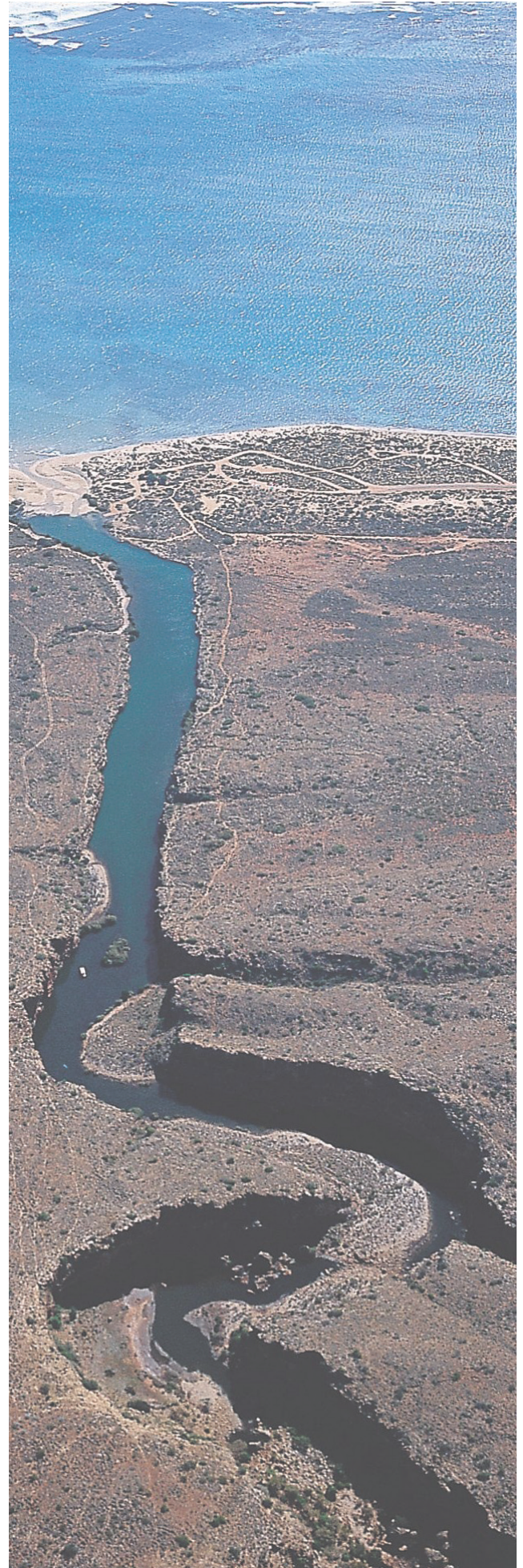


IMAGE: YARDIE CREEK, NINGALOO MARINE PARK, WA / LOCHMAN

CASE STUDY 1:

THE NORTHERN ENDEAVOUR AND LAMCOR OIL FIELDS LIQUIDATION

In 2016, major oil and gas company Woodside sold the Northern Endeavour, a floating rig, and the Laminaria and Corallina (LamCor) fields associated with it in the Timor Sea, to Northern Oil and Gas Australia (NOGA). These operations were at the late stage of their production life, having been in operation since 1999.

Between 2016 and 2019, the Northern Endeavour operations were plagued with maintenance issues, environmental risks and worker safety incidences. NOPSEMA issued an escalating series of orders to address these issues which culminated in an order to cease production. No longer able to profit from the enterprise, NOGA went into voluntary administration in September 2019 and into liquidation in February 2020.¹¹

The NOGA liquidation resulted in the complete absence of a company with responsibility for the clean up of the Northern Endeavour and LamCor fields, the cost of which is estimated at around \$2 billion.

The federal government-initiated Walker review of the Northern Endeavour disaster found that “such events could be repeated as Australia’s offshore industry matures and late-life assets are likely to be passed from established major oil companies to smaller, less-substantial titleholders.”¹²

The two main reforms that followed the Northern Endeavor were the institution of ‘trailing liabilities’ (where companies are still legally responsible for clean up, even if they sell their assets to another company) and the establishment of an industry-wide levy to recoup costs of the Northern Endeavour clean up. However, the new trailing liability measures have not been tested - companies may contest their enforcement through lengthy legal battles. Moreover, the levy is insufficient to cover any future clean up failures if the trailing liabilities provisions prove inadequate.

The Northern Endeavour debacle highlights the financial liability risk for the Australian Government associated with industry failure to plan for and deliver oil and gas clean up.



IMAGE: NORTHERN ENDEVOUR / AUSTRALIAN GOVERNMENT

CASE STUDY 2:

WOODSIDE'S NGANHURRA RISER TURRET MOORING DECAY

The Ngarhurra rising turret mooring (RTM) was a 2,500 tonne structure anchored to the ocean floor approximately 20 kilometres from World Heritage-listed Ningaloo Marine Park in the oceans off northern Western Australia.

The Ngarhurra RTM stopped being used in petroleum extraction in 2018.¹³ After letting the infrastructure degrade to the point of making removal challenging, Woodside proposed to sink the RTM, leaving it on the ocean floor. Woodside proposed to work with a recreational fishing group to abandon the tower as an “artificial reef”, despite it reportedly containing hazardous and harmful chemicals.

As the years dragged on, the RTM began to sink of its own accord, raising fears about the risk of a toxic chemical spill so close to the World Heritage Ningaloo Reef.¹⁴ Woodside received intense criticism and media scrutiny, including from Greenpeace activists who in May 2023 draped the RTM in a banner.¹⁵

Finally, in October 2023, Woodside bowed to public pressure and lifted the RTM onto a barge, bringing it onshore for cleaning and recycling.¹⁶

The Ngarhurra RTM saga demonstrates the corporate culture of indifference to and avoidance of clean up within the oil and gas industry.

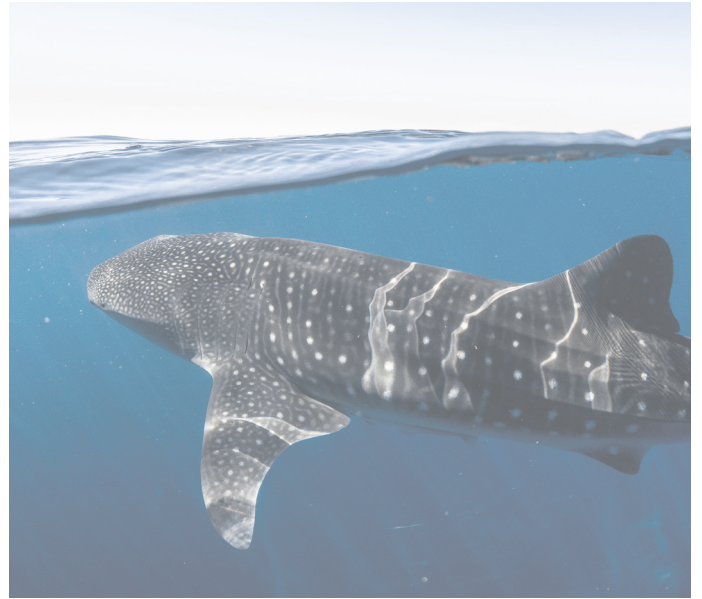


IMAGE: LEWIS BURNETT / SHUTTERSTOCK

AUSTRALIA'S OIL AND GAS INDUSTRY ISN'T CLEANING UP ITS MESS



IMAGE: GREENPEACE

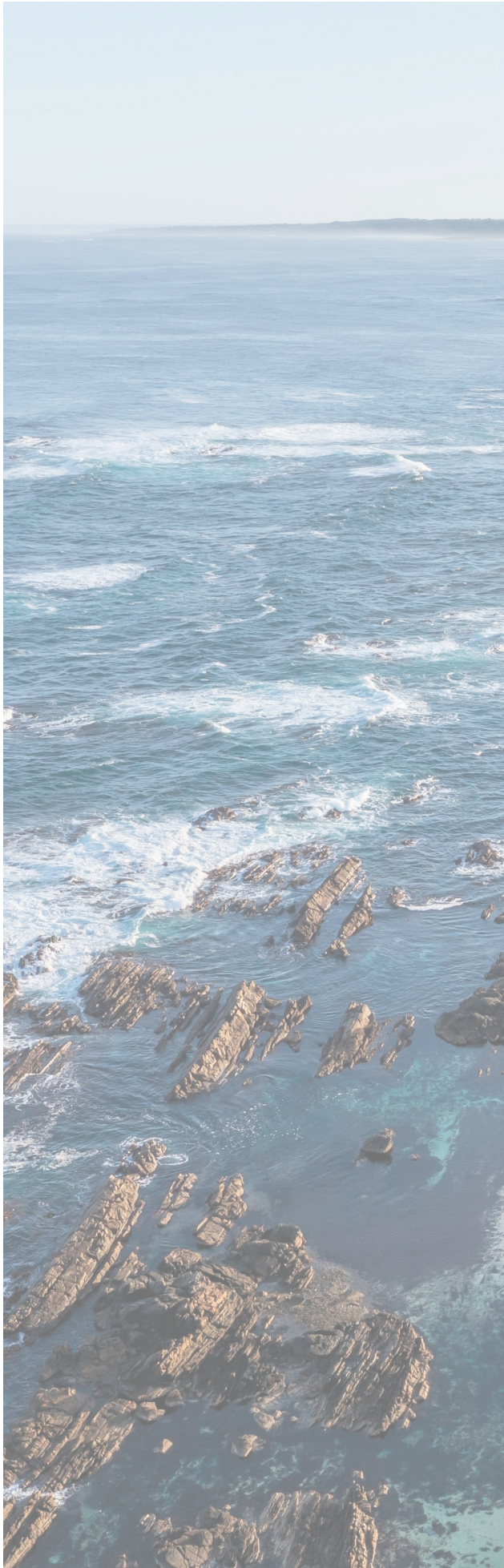


IMAGE: KING ISLAND, TASMANIA / PHILLIP WITTKÉ / SHUTTERSTOCK

CASE STUDY 3:

ESSO/EXXONMOBIL AND WOODSIDE CLEAN UP FAILURES IN THE BASS STRAIT

One of the biggest oil and gas clean up challenges right now in Australia is the extensive disused infrastructure in the Bass Strait between Victoria and Lutruwita/Tasmania.

A joint venture between ExxonMobil subsidiary Esso, and Woodside, is responsible for 10 platforms, three subsea facilities, 16 pipelines and approximately 200 wells that are no longer producing oil and gas, and a further six platforms and seven pipelines that are no longer expected to support oil and gas production by 2027.¹⁷

This infrastructure is located in an ecologically significant area of ocean. It includes habitat for the endangered pygmy blue whale and other rare and threatened species.

Much of this infrastructure has been disused for years or even decades. Esso/ExxonMobil and Woodside's failure to deliver timely clean up has now culminated in a series of environmental and worker safety disasters.

PIPELINE RUPTURES

In 2017, a sheen appeared close to Esso/ExxonMobil and Woodside's West Tuna facility. An investigation into the incident by NOPSEMA found the failure to properly respond to the spill increased the risk of contamination and posed a "significant threat to the environment."¹⁸

In April 2024, while the Esso/ExxonMobil the West Kingfish platform was in the first 15 days of clean up, a pipeline between two platforms ruptured, leaking hydrocarbons and highly toxic chemicals used for cleaning oil & gas from the pipes known as 'inhibitor water'.¹⁹ This contaminated the environment, risking wildlife including whales.

In May 2024, a spill at ExxonMobil's Marlin A platform in the Bass Strait caused an estimated 200 litres of hydrocarbons to leak into the marine environment, again contaminating the local environment and putting marine life at risk.

**AUSTRALIA'S
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IMAGE: SUPPLIED

RISKS TO WORKERS

In 2016, NOPSEMA inspectors identified corrosion at the West Tuna facility, yet Esso/ExxonMobil failed to paint the structure as recommended. When NOPSEMA inspectors visited in 2021 five years later, they found a helideck so badly damaged that landing a helicopter on it risked “injury, fatality or multiple fatalities”.²⁰

In 2021, NOPSEMA found more incidents across the Bass Strait infrastructure of corrosion so bad they constituted a life-threatening risk to workers at the Bream B²¹ and Tuna facilities.²²

On 3 November 2023, the severe state of disrepair at the Mackerel platform culminated in a major workplace incident where more than 25 personnel were required to be evacuated from the platform due to an unserviceable helicopter landing deck in extremely dangerous circumstances. NOPSEMA didn't raise a safety alert until seven months after the incident occurred. When the safety alert was finally issued, it failed to identify how Esso/ExxonMobil could have reduced risk to human life to ‘as low as reasonably practicable’ by increasing the available methods of evacuation.

Esso/ExxonMobil and Woodside have been issued with 38 separate formal warnings (as Directions Notices or OHS/ Environmental Improvement notices) for the Gippsland field over the last two decades without any escalatory regulatory action.²³ This failure to escalate compliance and enforcement actions, for example with penalties and prosecutions, despite repeated failures from the company was highlighted in the 2018 Senate Inquiry into Work health and safety of workers in the offshore petroleum industry. The Committee recommended that NOPSEMA rewrite their compliance policy and that the Minister compel NOPSEMA to adhere to the new compliance policy, so that they are obliged to escalate compliance activities in the face of continuously poor corporate behaviour that risks the environment or safety.²⁴

These examples starkly demonstrate how NOPSEMA's long delays and failures to take strong action in response to overdue decommissioning and maintenance is putting the lives of workers at risk and is harming the marine environment.

CASE STUDY 4:

WOODSIDE GRIFFIN FIELD ANCHOR AND CHAIN ABANDONMENT

Woodside's Griffin field, offshore of Western Australia, ceased production in 2009.

In 2024, NOPSEMA accepted an environment plan that allows for Woodside to leave up to eleven of the twelve anchors (11 tonnes each) and associated 30m chain bridles, five piled foundations and six mid-depth buoy concrete gravity bases.²⁵ This equipment consists almost entirely of steel and concrete that should be recycled.

NOPSEMA has allowed this extensive volume of infrastructure to be abandoned if Woodside tries but is unable to remove it. However, it is in Woodside's financial interest to minimise removal. The clear evidence from many decades is that oil and gas companies will take every opportunity to avoid and delay their ocean oil and gas infrastructure clean up, and NOPSEMA should not be creating opportunities for them to do so.

Given that NOPSEMA is only now starting to make decisions on clean up plans, it is critical that a strong regulatory approach is applied to reinforce the expectation, as required under the OPGGS Act, that industry fully remove infrastructure.

AUSTRALIA'S OIL AND GAS CLEAN UP LAWS AND POLICY ARE NOT FIT FOR PURPOSE

CASE STUDY 5:

SANTOS BAYU-UNDAN PIPELINE CLEAN UP ON HOLD

Santos manages the Bayu-Undan to Darwin Gas Export Pipeline that transports gas from the Bayu-Undan Field to the Darwin gas plant.²⁶ The pipeline has been in operation since 2004 and is now approaching the end of life.²⁷

Santos should be preparing to remove the Bayu-Undan pipeline and remediate the surrounding environment. However, Santos is seeking to avoid removal and remediation by pointing to a potential carbon pollution dumping CCS project involving the Bayu-Undan field. Santos has not yet reached Final Investment Decision on the proposed project and there is no certainty that Santos will proceed or, if it does, that the project would be technically feasible.

Key factors that suggest the repurposing plan is not feasible include that:

- a. The design life of the pipeline was 25 years and has been in operation for close to 20 years, and Santos has not yet completed front end engineering design (FEED),
- b. Carbon dioxide is fundamentally different to methane in chemical composition, and transporting these gases involves different requirements of pipeline construction and composites to avoid CO₂ corroding the pipelines,
- c. Australia doesn't have standards for CCS pipelines or a framework for assessing pipeline reuse proposals,
- d. The viability of the overall CCS project is contingent on regulatory reform (including by the Timor-Leste Government) and regulatory approvals that could take many years.

Santos' proposal to reuse the Bayu-Undan pipeline for carbon pollution dumping, and in doing so avoid or delay removal of the pipeline, highlights the need for prohibition on old oil and gas ocean infrastructure being left in place for possible future carbon pollution dumping.



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2. Endnote: Clean up bonds, or rehabilitation bonds, are a common requirement for extractive industries. A bond is usually paid upfront and held by a government or a third party. The purpose of the bond is to provide financial security for clean up at the end of an operation (e.g. a mine or an offshore oil project) should the company not do the work itself (e.g. because it becomes bankrupt)
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