

# Inquiry into Decommissioning of Oil and Gas Infrastructure

## Submission from the Maritime Union of Australia



**9th November 2025**

*Victorian Legislative Council Environment and Planning Committee*

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## Recommendations

### **Recommendation 1.**

*That the Committee considers and then advised the Victorian Government how to:*

*(a). Modernise an offshore facility register: an integrated, cross-jurisdictional system linking all offshore and onshore petroleum infrastructure, titles, liabilities, and decommissioning status, in partnership with the Offshore Decommissioning Directorate. This should require the establishment of a public transparency portal - to provide an easily accessible interface that consolidates regulatory, environmental, and ownership data to enhance accountability and public oversight.*

*(b). Advocate for any transfer, including the Esso–Woodside arrangement, have enforceable conditions tied to workforce protection, domestic supply, and environmental obligations.*

### **Recommendation 2.**

*That a comprehensive audit be commissioned of all petroleum infrastructure within or impacting Victorian jurisdiction. Minimum inclusions for the catalogue should consider:*

- (i) The type, location, age, and structural condition of each asset*
- (ii) The material composition and estimated waste profile, including hazardous substances such as hydrocarbons, mercury, asbestos, plastics, and NORMs*
- (iii) The status of regulatory compliance, inspection history.*

### **Recommendation 3**

*That the Committee considers how the Victorian Government can:*

*(a). Use its Joint Authority powers to ensure no title is surrendered until all decommissioning and remediation obligations are demonstrably met and independently verified.*

*(b). Develop a Victorian Decommissioning Regulatory Framework that codifies state responsibilities, intervention triggers, and aligns where appropriate with the Offshore Decommissioning Directorate.*

*This shall include:*

*(i) Empowering state regulators (EPA and WorkSafe) to act in cases of regulatory failure, unsafe work, or environmental risk, ensuring immediate protection of workers and marine ecosystems.*

*(ii) Establishment of a Decommissioning Coordination Unit within DEECA to coordinate inter-agency functions, public transparency and stakeholder engagement.*

*(c). Lead advocacy to complete harmonisation of offshore and onshore WHS regimes, ensuring consistent rights and protections for workers.*

*(d). Integrate decommissioning oversight with circular economy priorities, mandating local recovery and recycling of materials.*

### **Recommendation 4.**

*That Committee recommend the Victorian Government, through its Joint Authority powers under the Offshore Petroleum and Greenhouse Gas Storage Act 2006, require strict adherence to the Act's existing financial assurance provisions. Uniformly applied and transparently enforced, to ensure that offshore operators, not the public, bear the full financial responsibility for decommissioning.*

*(i) No new title, variation, or transfer should be approved unless the titleholder has lodged a verified decommissioning bond or equivalent financial security sufficient to cover the full cost of removal, remediation and waste management.*

### **Recommendation 5.**

*To capture the full employment potential of decommissioning and offshore renewables, the Victorian Government can:*

*(a). Fund TAFE-based training and licensing for high-risk decommissioning work, including crane, rigging, and heavy-lift operations, confined-space entry, and hazardous-materials management*

*(b). Task Department of Jobs, Skills, Industry and Regions (DJSIR) to deliver vocational pathways, bridging programs and retraining for Victorian maritime and energy workers*

*(i) Incorporate inclusion initiatives to increase the participation of women, First Nations people, and young workers in maritime and energy transition roles*

*(c). Ensure all decommissioning and offshore wind port facilities operate as common-user infrastructure, publicly owned and managed. Accordingly, tie government funding and project approvals to employment standards and local-content plans.*

**Recommendation 6.**

*The Committee should recommend that the Victorian Government:*

*(a). Formally recognise Traditional Owner authority and Sea Country rights within all decommissioning and offshore energy frameworks.*

*(b). Align future Sea Country governance and economic participation initiatives with the Victorian Treaty process to ensure enduring co-regulation and self-determination in marine management.*

*(c). Investigate existing partnerships between the State, and relevant Traditional Owner corporations to determine how these relationships—such as those already established with Gunaikurnai (GLaWAC), Eastern Maar, Gunditjmara and Wadawurrung—can be strengthened and expanded to support Victoria’s decommissioning and offshore energy transition.*

**Recommendation 7.**

*The Committee should recommend that in collaboration with their federal counterparts, the Victorian Government:*

*(a). Use its Joint Authority powers to require independent verification of all plugged and abandoned wells before title surrender.*

*(b). Advocate nationally for legally binding P&A standards, enduring liability provisions, and long-term plug-integrity monitoring.*

*(c). Establish a publicly accessible well and seabed integrity register, including identification and verification of all historic or “ghost” wells within or adjacent to the State*

*(d). Develop a State Marine Monitoring Framework, led by DEECA and the EPA, to track seabed and environmental recovery following decommissioning and ensure compliance with the London Protocol’s environmental-monitoring requirements.*

## Background

This submission is made by the Maritime Union of Australia (MUA), a division of the 120,000-member Construction, Forestry, Maritime, Mining and Energy Union (CFMEU). The MUA represents approximately 14,000 workers nationally across stevedoring, shipping, and offshore oil and gas (including through the Offshore Alliance with the Australian Workers Union). The MUA is also a proud affiliate of the 20-million-member International Transport Workers’ Federation (ITF). This

broad reach across maritime supply chains means the union plays a recognised leadership role in tripartite industry forums and regulatory consultations concerning Australia’s offshore oil and gas sector, maritime workforce, and national energy system.

The MUA has been working in a concerted way on offshore oil and gas decommissioning for five years—engaging with government, industry, research institutions and international partners—and welcomes the opportunity to share its observations and experience to help shape an effective, worker-centred decommissioning framework for Victoria.

The Victorian Branch of the MUA covers maritime workers across the state’s key commercial ports and surrounding operations, including the Ports of Melbourne, Portland and Geelong, and the Western Port (Hastings/Long Island Point).. These workplaces are central to national supply chains, energy security and the emerging decommissioning and offshore renewable industries. Members in Victoria work in specialist roles including container terminals, bulk and break-bulk facilities, towage and pilotage services, ferry operations, integrated ratings and crane operators on offshore support vessels, port logistics, and diving operations. The Branch’s history is rooted in the state’s long maritime and industrial tradition, tracing back to the early Eight-Hour Day movement and the former Waterside Workers’ Federation and Seamen’s Union of Australia.

MUA members are integral to the full lifecycle of offshore oil and gas operations, from exploration and construction to maintenance, production, and eventual decommissioning, remediation and ongoing monitoring of retired fields. As Australia enters a critical phase of large-scale decommissioning, the Victorian maritime workforce will also be essential to the safe transport, landing, dismantling and recycling of offshore assets at domestic port and industrial facilities.

This submission was developed in consultation with the Victorian Trades Hall Council (VTHC), reflecting the shared commitment of Victoria’s union movement to ensure decommissioning creates secure local jobs, strengthens industrial capability, and delivers the highest environmental and safety standards.

## Introduction

The MUA supports a future-ready maritime industry that delivers secure skilled jobs, builds sovereign industrial capability, and ensures that environmental obligations are met. Our position reflects decades of experience across the offshore sector, and a long-standing commitment to national energy and supply-chain resilience.

This Inquiry is extremely timely. After more than half a century of offshore oil and gas production, Australia faces the immense task of safely decommissioning its aging infrastructure. The Federal Government, with the Western Australian, South Australian and Victorian governments, recognise decommissioning as a distinct policy priority. Decommissioning is embedded within these government’s policy platforms, but progress on enacting these priorities has been uneven. Victoria’s inquiry presents a crucial opportunity to define how the state will lead within the national framework and ensure that the benefits of this emerging industry are realised locally.

While the federal Offshore Decommissioning Directorate will play a significant coordinating role at the national level, Victoria must not simply defer to Commonwealth direction. The Victorian

Government holds substantial powers and responsibilities of its own, including jurisdiction over infrastructure within three nautical miles off the coast, environmental regulation of onshore processing and recycling sites, and joint authority with the Commonwealth over title approvals and surrenders under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. This gives the state a decisive voice at the final stage of every offshore title's life cycle - when title surrender is assessed and approved.

The state therefore has a direct stake in how decommissioning is planned, funded and executed. It can and should set expectations for local processing, workforce development, and environmental protection, rather than allowing those standards to be determined solely by Federal regulators.

WA has demonstrated the value of state-level leadership through its development of a coordinated Decommissioning Industry Framework and related policy initiatives led by the Centre of Decommissioning Australia (CODA). These initiatives define agency responsibilities, infrastructure needs and workforce priorities to capture onshore dismantling and recycling work. While this is a good start, the WA model lacks implementation. Victoria can exceed this approach, using its own regulatory levers, planning powers and industrial strengths, to ensure decommissioning work is done safely, transparently and onshore.

The key positions of this submission are that Victoria:

1. Uphold the legal base-case of full removal and responsible onshore dismantling of infrastructure.
2. Embed polluter-pays principles and close regulatory loopholes that shift costs or risks to the public.
3. Develop a state decommissioning framework linked to recycling and green-steel supply chains.
4. Deliver a fair transition for offshore oil and gas workers into decommissioning and renewable sectors.
5. Advance Sea Country co-governance with Traditional Owners
6. Rigorously monitor and eliminate fugitive emissions.

Decommissioning is both an obligation and an opportunity. With clear rules, tripartite governance, and investment in facilities, skills and safety, Victoria can convert end-of-life liabilities into high-value regional jobs, sovereign capability, and lasting environmental repair. This Inquiry provides the platform for Victoria to assert leadership within the national framework and establish itself, alongside WA, as a model jurisdiction for state-based decommissioning governance and industry development.

## Scale and Ownership of Victoria's Oil and Gas Infrastructure

### *A sizable, yet opaque undertaking*

Victoria's offshore oil and gas network is extensive, and it is aging, which increases decommissioning complexity and cost. Across the Gippsland and Otway basins there are 22 production platforms, over 2,000 kilometres of pipelines and umbilicals, and around 460 wells that

will ultimately require plugging and abandonment. This infrastructure represents more than fifty years of petroleum production, and its decommissioning is both a technical and administrative challenge that demands modernised oversight.

Currently, data on ownership, title status, and decommissioning obligations is dispersed across Commonwealth and State agencies, with limited public visibility. This fragmentation undermines accountability and impedes clear governance. A new approach to this system is warranted, led in partnership between the Victorian Government and the Offshore Decommissioning Directorate, to address these jurisdictional complexities and establish a modern, integrated framework capable of tracking the full lifecycle of offshore and associated onshore infrastructure.

Rather than the governance of Victoria's offshore petroleum legacy remaining overly complex, opaque, and reactive - a transparent, publicly accessible tracking system can be established. Developed in cooperation with the Decommissioning Directorate and aligned with NOPTA would provide the accountability, planning certainty, and community confidence required to manage this multibillion-dollar decommissioning task responsibly.

A reformed system should be built around a public transparency portal, a single, searchable online interface providing accurate, real-time information on:

- infrastructure ownership and operatorship
- licence or title status
- decommissioning schedules and progress, and
- financial and environmental assurance arrangements.

This collaboration would allow Victoria to align its data systems with national frameworks while embedding public accountability, ensuring the state's regulatory, environmental, and workforce priorities are visible and enforceable across all stages of the decommissioning process.

### *Operatorship, checks and balances*

The application to transfer the Bass Strait joint venture operatorship from Esso/ExxonMobil to Woodside Energy exemplifies why this undertaking matters. The Bass Strait continues to supply around 40 percent of eastern Australia's domestic gas, making it critical to national energy security. This corporate transition (pending regulatory approval by NOPTA) raises important questions about continuity of operations, workforce implications, and long-term decommissioning liabilities.

Any approval should be contingent upon Woodside demonstrating the change will strengthen, not weaken, domestic supply, workforce stability, and environmental and decommissioning compliance.

Energy security concerns also extend beyond offshore assets. Critical onshore infrastructure such as the Longford Gas Plant remains the single processing point for Bass Strait gas and is essential to Victoria's domestic energy supply. We support the Victorian Government working with federal agencies to ensure that Longford continues to operate for the national interest, guaranteeing access for domestic supply, maintaining public reporting on capacity and performance, and aligning future planning for the site with decommissioning and clean-energy transition objectives.

The MUA believes it would be prudent for any Esso/ Woodside transfer to be contingent on financial assurances for decommissioning and commitments to ongoing monitoring after surrender of title.

**Recommendation 1.**

*That the Committee considers and then advised the Victorian Government how to:*

*(a). Modernise an offshore facility register: develop an integrated, cross-jurisdictional system linking all offshore and onshore petroleum infrastructure, titles, liabilities, and decommissioning status, in partnership with the Offshore Decommissioning Directorate. This should require the establishment of a public transparency portal - to provide an easily accessible interface that consolidates regulatory, environmental, and ownership data to enhance accountability and public oversight.*

*(b). Advocate for any transfer, including the Esso–Woodside arrangement, have enforceable conditions tied to workforce protection, domestic supply, and environmental obligations.*

## Scale and Nature of Infrastructure Requiring Decommissioning

### *What's down there?*

The Committee must be cognisant that the infrastructure awaiting decommissioning off Victoria's coast is not only extensive but toxic, degraded and environmentally hazardous. It comprises the full material spectrum of the petroleum era, including:

- asbestos
- radioactive materials
- steel pile jackets
- corroded pipelines
- contaminated sediment
- subsea equipment that has been allowed to decay for decades on the seabed
- steel
- concrete
- plastics
- hazardous residues.
- sludge
- mercury-bearing compounds
- residual hydrocarbons
- degraded polymers
- synthetic oils
- heavy metals

Of the 5.7 million tonnes of offshore oil and gas infrastructure that must be removed nationally, around 10 per cent lies off the Victorian coast. This equates to hundreds of thousands of tonnes of contaminated waste material, but the majority of this mass is recyclable ferrous metal.

The process of dismantling and responsibly disposing of this waste will be one of the most technically and environmentally complex industrial operations ever undertaken in Victoria.

The Committee should also recognise that much of this infrastructure has been deliberately left to deteriorate. After production ceased, many assets were placed in “care and maintenance” or “lighthouse” mode with minimal oversight. Publicly available NOPSEMA environmental and safety alerts reveal repeated breaches, including spills, hydrocarbon leaks, and structural corrosion. This record demonstrates a clear pattern: companies have deferred maintenance to save costs, resulting in serious environmental and occupational risks. The deterioration now visible across Bass Strait and Otway facilities is not an inevitable outcome of aging infrastructure, but a consequence of regulatory leniency and corporate neglect.

The Committee must therefore approach this issue not as an administrative exercise, but as an urgent clean-up of industrial contamination at sea. Subsea pipelines contain residues, radioactive production scale, contaminated with lead, mercury and corroded fittings that will fail if left in place. The surrounding sediments at many sites are known to be contaminated with drilling muds, synthetic oils and heavy metals.

In material terms, Victoria’s decommissioning task is a hazardous waste management challenge on an oceanic scale. The State must insist that all materials are recovered, decontaminated and processed onshore under regulated conditions, not dumped, abandoned in situ or exported. Leaving deteriorated structures offshore would breach both community expectations and international waste obligations under the London Convention.

The Committee should also be aware that poor handling of this material, whether through rushed removal or offshore disposal, will create unacceptable risks for workers, coastal environments and the marine food chain. Conversely, if managed properly through Victorian ports and recycling facilities, this same material could fuel the state’s green metals and circular economy industries, turning a toxic legacy into a source of clean industrial renewal.

This collation exercise should be straightforward, as the records already exist across NOPSEMA, NOPTA and titleholder reports. A thorough, independent assessment of this data will not only create an accurate baseline for Victoria’s decommissioning planning, we predict it will also uncover the true scale of degradation, waste, and non-compliance that has accumulated over decades of petroleum production.

***Recommendation 2.***

*That a comprehensive audit be commissioned of all petroleum infrastructure within or impacting Victorian jurisdiction. Minimum inclusions for the catalogue:*

- (iv) The type, location, age, and structural condition of each asset*
- (v) The material composition and estimated waste profile, including hazardous substances such as hydrocarbons, mercury, asbestos, plastics, and NORMs*
- (vi) The status of regulatory compliance, inspection history.*

## Regulatory Powers of the Victorian Government

The Committee should be clear that Victoria is not a bystander to the decommissioning process. While Commonwealth agencies, particularly NOPSEMA and NOPTA, administer the majority of regulatory functions in offshore Commonwealth waters. The Victorian Government holds substantial powers, responsibilities and leverage under both its own legislation and the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*, in which it acts as a joint decision-maker.

The Joint Authority holds decision-making power for a wide range of title-related matters, including grant renewal, variation, transfer, and surrender, and cancellation of offshore titles. This statutory basis confirms that the Victorian Minister, as a member of the Joint Authority, has legitimate authority to insist on full decommissioning, financial assurance and compliance prior to title decisions. This is not a procedural formality, it is the point at which the state can and must insist that environmental remediation, waste management and financial assurance standards are met in full. The state should use this power to require that no title is surrendered until every structure is removed, every well is safely plugged, all work independently verified, and an ongoing monitoring regime is in place.

Victoria's environmental, planning and occupational safety laws apply to onshore and nearshore decommissioning activities. This includes the *Environment Protection Act 2017*, the *Occupational Health and Safety Act 2004*, and the *Marine and Coastal Act 2018*, each of which gives the state authority to regulate the handling, transport, and disposal of contaminated materials once they enter state jurisdiction. The state's regulatory agencies, WorkSafe Victoria, the Environment Protection Authority (EPA), and the Victorian Ports Corporation, therefore play critical roles in ensuring that dismantling, processing and recycling are conducted safely and in compliance with environmental and industrial standards.

Victoria's current role in decommissioning is underdeveloped and inconsistently exercised. Compounding this, Commonwealth regulation remains heavily centralised, and too often fails to intervene until after deterioration or non-compliance has occurred. We urge that this Inquiry consider formalising a Victorian Decommissioning Regulatory Framework that defines clear roles and responsibilities for state agencies, and coordinates with the Offshore Decommissioning Directorate, and ensures that the state can act decisively when Commonwealth oversight proves inadequate.

To give substance to that framework, Victoria should establish default intervention powers, activated when operators or regulators fail to prevent environmental harm, unsafe work, or contamination. These could include:

- **Emergency environmental intervention powers**, such as extending the EPA's authority to act immediately where offshore or nearshore petroleum infrastructure poses a pollution risk. This would allow the EPA to issue pollution abatement or clean-up notices to operators or undertake remediation directly and recover costs where companies fail to act. These provisions already exist on land under the *Environment Protection Act 2017* and could be extended to cover marine petroleum incidents.
- **State-led clean-up and cost recovery** would empower the Victorian Government to perform urgent remediation where an operator defaults or becomes insolvent, and to recover costs

from responsible corporations under the polluter-pays principle. This ensures that taxpayers are never left funding the consequences of corporate negligence.

- **Targeted regulatory intervention** would allow the state to declare heightened regulatory oversight in areas where repeated non-compliance has occurred. The Minerva Gas Field, 8kms south of Port Campbell and 4kms from the twelve Apostles Marine National Park, is a clear example where decommissioning activity caused plastic saddle clamps and other subsea debris to be washed ashore along the coast, polluting beaches and marine habitats. Despite community alarm, NOPSEMA took no immediate enforcement action. A Victorian intervention mechanism could have empowered the EPA and coastal authorities to respond directly, remove the waste, and recover costs from the operator.
- **Mandatory notification and transparency requirements** would require operators to notify both NOPSEMA and the Victorian Government of any environmental or safety breach impacting Victorian waters, ports or coastlines, with those incident reports made public through the proposed transparency portal.

A strengthened Victorian framework would also ensure alignment between environmental protection and circular economy goals. By linking decommissioning oversight to the *Circular Economy (Waste Reduction and Recycling) Act 2021*, the State could require that recovered materials are processed, recycled and documented within Victoria, consistent with its waste reduction targets.

In addition, the State should establish a Decommissioning Coordination Unit within the Department of Energy, Environment and Climate Action (DEECA), responsible for inter-agency coordination, data integration, and engagement with the Offshore Decommissioning Directorate. This unit would serve as the State's focal point for decommissioning policy, enforcement, and workforce planning.

### *Worker Safety Leadership, and Harmonisation*

The Committee should also recognise that the discrepancies between the offshore safety regime under the OPGGS Act and the onshore model WHS laws are well-known and long-standing. These inconsistencies weaken protections for offshore workers and complicate cooperation between regulators. The process to harmonise the OPGGS (Safety) Regulations with the national model WHS framework—first recommended by the 2020 Offshore Safety Review—has stalled, leaving two incompatible systems governing what is, in practice, one integrated workforce.

Victoria, as both a Joint Authority partner and the home of many offshore workers, should go into bat for reform. This committee can recommend that the Victorian Government take an active leadership role in resuming this harmonisation process by advocating through national WHS reform forums, including Safe Work Australia and intergovernmental meetings of WHS Ministers, for completion of the harmonisation between the model WHS laws and the OPGGS safety regime.

Until harmonisation is achieved, WorkSafe Victoria should maintain active coordination with NOPSEMA to ensure consistent safety standards where decommissioning work and material handling occur, recognising that these are the areas of greatest occupational risk during decommissioning.

Through these measures, Victoria can move from a passive participant to an active co-regulator. One that ensures safety, environmental responsibility and local benefit at every stage of decommissioning.

### **Recommendation 3**

*That the Committee considers how the Victorian Government can:*

*(a). Use its Joint Authority powers to ensure no title is surrendered until all decommissioning and remediation obligations are demonstrably met and independently verified.*

*(b). Develop a Victorian Decommissioning Regulatory Framework that codifies state responsibilities, intervention triggers, and aligns where appropriate with the Offshore Decommissioning Directorate. This shall include:*

*(iii) Empowering state regulators (EPA and WorkSafe) to act in cases of regulatory failure, unsafe work, or environmental risk, ensuring immediate protection of workers and marine ecosystems.*

*(iv) Establishment of a Decommissioning Coordination Unit within DEECA to coordinate inter-agency functions, public transparency and stakeholder engagement.*

*(c). Lead national advocacy to complete harmonisation of offshore and onshore WHS regimes, ensuring consistent rights and protections for workers.*

*(d). Integrate decommissioning oversight with circular economy priorities, mandating local recovery and recycling of materials.*

## Ensuring Companies Cover Decommissioning Costs

The *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)* already provides a clear legal basis for requiring financial assurance for decommissioning, yet this remains the biggest impediment to Australia's clean-up job. While the law is sound, it has not been interpreted by the national regulator as such. Only financial assurances for *unplanned liabilities* are enforced. In practice, this incentivises titleholders to delay, understate, or externalise their liabilities as a way of skipping out altogether.

Under section 571 of the OPGGS Act, titleholders must demonstrate sufficient financial capacity to meet all obligations, including the complete removal of property and site rehabilitation required by section 572. Likewise, regulation 16 of the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009* provides that no environment plan may be accepted unless the operator demonstrates "sufficient financial assurance" to carry out its activities and meet potential liabilities. The Joint Authority has the legal power to demand proof of financial assurance at every stage of a project's life, from application and operation through to surrender.

However, the chronic non-application of these provisions has created a culture of 'no bond requirement' as the status quo. Further, major titleholders such as Woodside and Santos habitually underestimate their decommissioning liabilities, despite always knowing that full removal is the

base-case obligation under both domestic and international law.<sup>1</sup> The legal obligation for full removal has been continuous for over sixty years, well understood by industry, and never optional. However, annual reports continue to carry vague or discounted “provisions for restoration,” even though they have benefited from more than fifty years of production in Australian waters and have had ample time to plan for decommissioning.

The case currently before the Federal Court, *The Wilderness Society v NOPSEMA & Santos* (Reindeer Gas Field), manifests precisely the risk we highlight that operators may delay decommissioning, underestimate liabilities, and proceed without verified financial assurance. It provides an active legal test of the OPGGS Act’s requirements and reinforces the need for Victoria to insist on enforceable assurances for all titles.

In this context, the repeated under-provisioning of costs represent corporate non-compliance, not regulatory ambiguity. The Joint Authority now has both the mandate and the evidence base to insist that companies meet the full cost of their obligations.

Victoria should therefore use its Joint Authority position to require that:

- Every new application, variation, or title transfer includes an independently verified decommissioning cost estimate and a corresponding financial assurance instrument (bond, guarantee or escrowed fund).
- No title is approved, varied, or surrendered without demonstrable financial capacity to meet total decommissioning liabilities and ongoing monitoring costs.
- Financial assurance arrangements are periodically reviewed and published, ensuring transparency and alignment with rising costs and strengthened environmental standards.

The laws already exist, and the obligations are clear: companies have always been required to remove their equipment and clean up after themselves. What has been missing is the consistent enforcement of financial assurance and the political will to hold industry to account. By using its Joint Authority powers decisively and demanding transparency, Victoria can ensure that those who profited from Australia’s offshore wealth finally pay for the responsible closure of their operations.

#### ***Recommendation 4.***

*That Committee recommend the Victorian Government, through its Joint Authority powers under the Offshore Petroleum and Greenhouse Gas Storage Act 2006, require strict adherence to the Act’s existing financial assurance provisions.*

- (ii) *No new title, variation, or transfer should be approved unless the titleholder has lodged a verified decommissioning bond or equivalent financial security sufficient to cover the full cost of removal, remediation and waste management.*

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<sup>1</sup> The obligation to fully remove offshore infrastructure is as old as the offshore industry itself. Since the United Nations Convention on the Continental Shelf (1958), which entered into force in 1964, states have been bound by Article 5, which requires that “any installations which are abandoned or disused must be entirely removed.” That standard has been reiterated and reinforced through subsequent instruments: the *Petroleum (Submerged Lands) Act 1967*, the *London Convention and Protocol 1979*, the *Environment Protection (Sea Dumping) Act 1981*, and finally the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

- (iii) *This requirement should be uniformly applied and transparently enforced to prevent under-reporting of liabilities and ensure that offshore operators, not the public, bear the full financial responsibility for decommissioning.*

## Opportunities for Employment in Decommissioning

Decommissioning represents a once-in-a-generation opportunity to secure skilled, long-term employment across Victoria's ports, coastal regions and manufacturing base. The work of removing, cleaning, dismantling and recycling offshore oil and gas infrastructure requires industrial and maritime capabilities such as: seafaring, diving, crane operations, heavy fabrication, and environmental remediation.

Yet this opportunity will only be realised if the State ensures that the work is done onshore, publicly regulated, and under union-negotiated employment standards. Exporting decommissioned infrastructure for processing overseas would export both jobs and accountability. Victoria's goal must be to build a domestic decommissioning industry that delivers secure, skilled, and well-paid jobs as part of a just transition.

The CSIRO (2024) and Centre of Decommissioning Australia (2023) estimate that more than 3,500 direct jobs could be created nationally through decommissioning, with roughly a quarter of that work located in Victoria, equivalent to around 1,000 local jobs across engineering, logistics, recycling, and environmental management. Based on our industry input-output modelling, each direct decommissioning job supports roughly *two additional jobs* through the supply chain and local spending.

### *Linking Decommissioning and Offshore Wind*

The same port and industrial infrastructure needed for offshore decommissioning will also underpin Victoria's offshore wind build-out. Ports Victoria should therefore adopt an integrated strategy to service both industries. The State's new port-planning functions under Ports Victoria and the Port of Hastings Corporation should explicitly include support for renewable and decommissioning activities, ensuring that the logistics and workforce bases for offshore wind construction, maintenance, and oil and gas clean-up are developed together rather than in competition. Victoria's southern coast is uniquely positioned to anchor this dual-purpose industry.

### *Public Ownership and Common-User Principles*

To ensure fair access and transparency, all Victorian decommissioning and offshore wind ports should be managed as public, common-user facilities under the Ports Victoria framework, not privately controlled by a single company. This is essential to avoid monopoly pricing, ensure consistent safety and labour standards, and deliver value to all projects.

#### **Recommendation 5.**

*To capture the full employment potential of decommissioning and offshore renewables, the Victorian Government can:*

*(a). Fund TAFE-based training and licensing for high-risk decommissioning work, including crane, rigging, and heavy-lift operations, confined-space entry, and hazardous-materials management*

*(b). Task Department of Jobs, Skills, Industry and Regions (DJSIR) to deliver vocational pathways, bridging programs and retraining for Victorian maritime and energy workers*

*(ii) Incorporate inclusion initiatives to increase the participation of women, First Nations people, and young workers in maritime and energy transition roles*

*(c). Ensure all decommissioning and offshore wind port facilities operate as common-user infrastructure, publicly owned and managed. Accordingly, tie government funding and project approvals to employment standards and local-content plans.*

## Traditional Owner Engagement, Consultation and Employment

Offshore oil and gas decommissioning intersects directly with Sea Country rights and cultural heritage obligations. For more than sixty years, petroleum operations in the Bass Strait and Otway Basin have occurred across Traditional Owner estates with limited involvement of the First Peoples who hold enduring custodianship of those waters. The process of dismantling and rehabilitating this legacy infrastructure should now work to correct those omissions and ensure that Traditional Owners are partners, decision-makers, and economic participants in Victoria's offshore transition.

*Victoria's Marine and Coastal Policy (2020)* and *Traditional Owner Settlement Act 2010* already commit the State to recognising and embedding Traditional Owner authority in marine and coastal management. The *Marine and Coastal Policy* specifically calls for co-design and shared governance with Traditional Owners to achieve integrated social, cultural and environmental outcomes. Offshore decommissioning provides a direct and immediate avenue for the State to give effect to these commitments.

We recognise that Traditional Owner organisations are already being drawn into multiple consultation processes under the *Offshore Petroleum and Greenhouse Gas Storage* regime, often without adequate resourcing. In Gippsland, the MUA reached out to the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) after learning that the group were facing increasing demands to "consult" on decommissioning and environmental plan applications. The MUA offered its resources and technical expertise to support GLaWAC should they wish. GLaWAC's established partnership with the Department of Energy, Environment and Climate Action (DEECA) provides a natural foundation for building structured collaboration on marine rehabilitation, monitoring and workforce development.

### *Pathways for Participation and Economic Opportunity*

Embedding Traditional Owners deep knowledge of Sea Country ecosystems, currents, habitats and cultural sites will strengthen environmental outcomes and improve social licence for the decommissioning industry. Practical opportunities include:

- **Marine monitoring and rehabilitation** – Employing Traditional Owner rangers and divers in seabed surveys, sediment sampling, and post-decommissioning monitoring programs.

- **Cultural heritage management** – Recognising Traditional Owners as lead partners in assessing and managing submerged and coastal heritage, consistent with the *Aboriginal Heritage Act 2006* and international heritage conventions.
- **Enterprise participation** – Supporting Traditional Owner corporations to establish commercial capabilities in coastal logistics, environmental services, marine science, and waste management, creating direct participation in decommissioning and offshore wind supply chains.
- **Training and workforce pathways** – Partnering with TAFE Gippsland, the Department of Jobs, Skills, Industry and Regions (through Skills and Employment Victoria), and industry to create accredited qualifications in marine operations, environmental remediation and coastal management tailored to Traditional Owner participants.
- **Joint decision-making** – Establishing co-governance frameworks in which Traditional Owners share authority in planning, environmental approvals and post-remediation monitoring for offshore projects.

### *Building Capacity and Long-Term Support*

To make these opportunities real, Traditional Owner organisations need sustained funding and technical backing. For example, enablers could be in a form such as a Sea Country Engagement and Employment Fund, jointly administered by DEECA and Traditional Owner corporations, to:

- Resource participation in marine planning and regulatory processes
- Provide training grants for ranger programs and marine science qualifications
- Fund pilot projects for cultural mapping, marine debris removal and coastal rehabilitation tied to decommissioning activities.

### *The Role of the Victorian Treaty*

The emerging Victorian Treaty framework provides a long-term mechanism to embed these reforms within a self-determination context. Through the Treaty Authority and future Self-Determination Agreements, Traditional Owners will gain formal standing in decisions concerning the use and restoration of their Sea Country. This framework can enable:

- **Co-regulation of marine and coastal environments**, including shared governance of decommissioning and offshore renewable projects.
- **Economic participation and benefit-sharing**, through negotiated access to enterprise opportunities and resource recovery revenues.
- **Enduring institutional capacity**, supported by the Self-Determination Fund, to sustain Sea Country ranger programs, marine research and cultural heritage work beyond project cycles.

#### **Recommendation 6.**

*Incorporate decommissioning and offshore energy into the Treaty framework to ensure that environmental remediation and economic participation are pursued as part of Victoria's broader reconciliation and self-determination agenda. The Committee should recommend that the Victorian Government:*

(a). Formally recognise Traditional Owner authority and Sea Country rights within all decommissioning and offshore energy frameworks.

(b). Align future Sea Country governance and economic participation initiatives with the Victorian Treaty process to ensure enduring co-regulation and self-determination in marine management.

(c). Investigate existing partnerships between the State, and relevant Traditional Owner corporations to determine how these relationships such as those already established with Gunaikurnai (GLaWAC), Eastern Maar, Gunditjmara and Wadawurrung, can be strengthened and expanded to support Victoria's decommissioning and offshore energy transition.

## Well Integrity, Plugging and Abandonment, and Post-Decommissioning Monitoring

The long-term environmental safety of decommissioned wells is one of the most critical yet under-regulated aspects of Australia's offshore petroleum legacy. As demonstrated in the Professor Soliman-Hunter's 2024 report, Australia remains the only mature offshore petroleum jurisdiction that lacks legally enforceable standards or independent inspection requirements for well plugging and abandonment (P&A).

International frameworks and the Offshore Energies UK Well Decommissioning Guidelines—mandate independent verification, minimum barrier design, and ongoing monitoring to confirm long-term well integrity. In contrast, under Australia's *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) and associated Resource Management Regulations, NOPSEMA relies almost entirely on operator self-reporting through the Well Operations Management Plan (WOMP). Wells can be deemed “permanently abandoned” and titles surrendered without any third-party inspection or enduring monitoring requirement.

### *The Legacy in Victorian Waters*

Many of Victoria's production wells date from the late 1960s through to the 1980s, when cement chemistry, barrier placement, and corrosion control were not held to contemporary standards.<sup>2</sup> International research indicates that conservative estimations of 10–25 per cent of abandoned wells globally exhibit some degree of integrity failure, ranging from low-level methane seepage to complete barrier collapse. The Gippsland Basin, containing more than 400 wells represents the largest concentration of aging well infrastructure in the Southern Hemisphere - even the lower end of that range would equate to 40–100 compromised wells off Victoria's coast.

Such failures are not theoretical. Methane and hydrocarbon seepage has been documented in Australian decommissioned fields. The Legendre Field off Western Australia – acknowledged by NOPSEMA to be seeping methane for the past decade (with no remediation orders issued), demonstrates that unverified plugging can result in post-closure contamination.

### *Data Gaps and “Ghost Wells”*

A related problem is the incomplete record of early drilling activity. Public well data for Bass Strait and the Otway Basin are drawn from the NOPTA Spatial Data Portal, which primarily captures wells

drilled since the late 1960s under the former *Petroleum (Submerged Lands) Act 1967*. However, earlier exploration and appraisal wells—drilled prior to the establishment of consistent record-keeping—may not appear in current datasets.

These unverified or unregistered wells, sometimes referred to in international literature as “ghost wells,” are those for which no definitive plugging record or current database entry exists. In Victoria, this could include early Esso and BHP wells from the first decade of Bass Strait development, as well as legacy wells drilled in nearshore areas that later fell between Commonwealth and State jurisdiction.

Ghost wells are more than an archival issue—they represent a potential environmental and liability gap. Without verified abandonment data or inspection records, regulators cannot confirm that these wells were safely sealed or that their casings have not degraded over time. Nor are they captured in decommissioning cost forecasts or integrity-monitoring programs.

To address this, Victoria should initiate a comprehensive well-record reconciliation project in partnership with NOPTA and DEECA, drawing on:

- Historic operator records and drilling charts held by Esso, Woodside, Santos and BHP;
- Hydrographic and bathymetric data from Geoscience Australia; and
- Seabed surveys undertaken for pipeline and wind-farm developments.

This would produce a verified baseline inventory of all wells—active, plugged, or lost to record—within and adjacent to Victorian jurisdiction.

### *A Regulatory Blind Spot*

Under the current Commonwealth regime, once a title is surrendered, responsibility for a well effectively ends—leaving no active operator, no monitoring regime, and no clear liability for future leakage. This constitutes a regulatory blind spot: a privately created environmental risk that may become a public liability. Victoria, as Joint Authority, must use its co-decision powers to prevent title surrenders unless operators have independently verified well integrity and committed to enduring monitoring.

This submission supports the findings of the 2024 Soliman-Hunter report and suggests that Victoria should advocate through intergovernmental forums for:

- Mandatory third-party inspection and certification of all well P&A work before a title can be surrendered under section 270 of the *OPGGGS Act*.
- Adoption of internationally recognised technical standards (e.g. NORSOK D-010 / OEUK Guidelines) defining minimum barrier design and integrity testing.
- Establishment of a publicly accessible well register, listing all wells within or adjacent to Victorian waters, including any unverified or “ghost” wells identified through record reconciliation.
- Ongoing plug-integrity monitoring linked to national greenhouse-gas accounting, given the potential for methane release.

## *Environmental and Seabed Monitoring After Decommissioning*

Beyond well integrity, the post-decommissioning phase remains largely unregulated. Once NOPSEMA accepts a “completed” decommissioning report, there is no systematic environmental monitoring of the affected seabed or water column. Sediment contamination, remnant debris, or hydrocarbon residues are seldom re-surveyed. This absence of long-term oversight is inconsistent with Victoria’s environmental and coastal policies.

The Victorian Government, in conjunction with the Decommissioning Directorate with DEECA, the EPA, and Parks Victoria, should develop a State-led Marine Monitoring Framework that:

- Establishes baseline seabed condition mapping for decommissioned fields.
- Requires periodic sediment, water and biodiversity sampling at retired sites.
- Integrates results into Victoria’s Marine and Coastal Strategy and climate-emissions reporting.
- Publishes monitoring data through the State’s environmental data portal for transparency.

This would align with Victoria’s obligations under the *Marine and Coastal Act 2018*, the *Environment Protection Act 2017*, and Australia’s international obligations under the *London Protocol (1996)*, the global treaty on the prevention of marine pollution by dumping of wastes and other matter.<sup>2</sup>

These obligations make clear that post-decommissioning seabed and water-quality monitoring is not discretionary: it is a treaty-based requirement that applies to all Australian jurisdictions, including Victoria. Ensuring compliance with these obligations would strengthen both environmental outcomes and public confidence in the State’s oversight of offshore decommissioning.

### ***Recommendation 7.***

*The Committee should recommend that the Victorian Government:*

*(a). Use its Joint Authority powers to require independent verification of all plugged and abandoned wells before title surrender.*

*(b). Advocate nationally for legally binding P&A standards, enduring liability provisions, and long-term plug-integrity monitoring.*

*(c). Establish a publicly accessible well and seabed integrity register, including identification and verification of all historic or “ghost” wells within or adjacent to the State.*

*(d). Develop a State Marine Monitoring Framework, led by DEECA and the EPA, to track seabed and environmental recovery following decommissioning and ensure compliance with the London Protocol’s environmental-monitoring requirements.*

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<sup>2</sup> The Protocol, implemented domestically through the *Environment Protection (Sea Dumping) Act 1981*, prohibits the dumping of waste at sea except under strict permit conditions. It also requires that any material left in situ be shown to be the least environmentally damaging practicable alternative, accompanied by environmental assessment and ongoing monitoring of the surrounding seabed.

## Closing Statement

Decommissioning is not a technical afterthought — it is the test of whether Australia can take responsibility for the industries that built its prosperity. For Victoria, it is also an opportunity: to generate skilled, secure jobs; to restore our marine environment; and to build sovereign capability in maritime manufacturing, recycling and clean energy infrastructure.

The evidence is overwhelming. The infrastructure off Victoria's coast — thousands of kilometres of pipeline, hundreds of wells and platforms, and over half a century's worth of industrial material — will not simply disappear after it's served its purpose. It must be dismantled by Australian workers, to Australian standards.

Through this Inquiry, Victoria can show national leadership. It has the legislative authority, the industrial expertise, and the community support to ensure that decommissioning becomes a planned program of environmental repair and regional renewal, not an unregulated clean-up. The MUA believe this can be achieved through five essential principles:

1. Public accountability and transparency - establishing a clear, public register of all offshore infrastructure, wells and environmental data
2. Worker safety and participation - harmonising the offshore regime with model WHS laws and embedding union consultation
3. Environmental responsibility - enforcing full removal and seabed remediation consistent with Australia's obligations under the London Protocol
4. Economic sovereignty - keeping dismantling, recycling and materials recovery in Australia to underpin domestic manufacturing and green-steel industries and
5. First Nations partnership - embedding Traditional Owner authority and employment through Sea Country co-governance and the Victorian Treaty process.

If implemented, these measures would secure thousands of Victorian jobs, strengthen the state's circular-economy capacity, and restore public trust in offshore resource management.

The MUA thank the Committee for the opportunity to contribute to this important Inquiry. We look forward to continuing to work with the Victorian Government to make decommissioning the foundation of a fairer, safer, and more sustainable maritime industry.

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